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1936

PROCEEDINGS  
OF THE  
GOVERNORS'  
CONFERENCE

Twenty-Eighth  
Annual Session



HELD AT  
ST. LOUIS, MISSOURI  
NOVEMBER 16-17-18, 1936



# ORGANIZATION

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## EXECUTIVE COMMITTEE

Governor George C. Peery, Chairman, Virginia

Governor R. L. Cochran, Nebraska

Governor Henry Horner, Illinois

Governor Wilbur L. Cross, Connecticut

Governor Harry W. Nice, Maryland

## TREASURER

Former Governor Stanley C. Wilson, Chelsea, Vermont

## SECRETARY

Former Governor Cary A. Hardee, Washington, D. C.



# GOVERNORS' CONFERENCE

## ARTICLES OF ORGANIZATION

### ARTICLE I

The style of this organization shall be the "Governors' Conference."

### ARTICLE II

Active membership in the Governors' Conference shall be restricted to the Governors of the several States and Territories of the United States, the term "Governors" to include Governors-Elect. Ex-Governors shall be received as honorary members and, as such, shall be entitled to all the rights and privileges of active membership except the right of voting.

### ARTICLE III

The functions of the Governors' Conference shall be to meet yearly for an exchange of views and experiences on subjects of general importance to the people of the several States, the promotion of greater uniformity in State legislation and the attainment of greater efficiency in State Administration.

### ARTICLE IV

The Conference shall meet annually at a time and place selected by the members of the Executive Committee.

### ARTICLE V

The Conference shall have no permanent President. A Governor shall be selected by the Executive Committee at the close of each half day's session to preside at the succeeding meeting.

### ARTICLE VI

There shall be no permanent rules for the Government of the Conference in discussion or debate, but the procedure at any session shall be subject to the pleasure of the Governors present.

### ARTICLE VII

The proceedings of the Conference shall be fully reported and published.

### ARTICLE VIII

The affairs of the Conference shall be managed by an Executive Committee composed of five members to be chosen by the Con-

ference at the regular annual meeting. They shall hold office until the close of the succeeding regular annual meeting and until their successors are chosen. Vacancies in the Executive Committee may be filled by the remaining members thereof.

A Secretary and a Treasurer shall be elected by the Conference at each annual meeting.

## ARTICLE IX

The Secretary shall attend all meetings of the Conference, keep a correct record thereof, safely keep an account for all documents, papers and other property of the Conference which shall come into his hands, and shall perform all other duties usually appertaining to his office or which may be required by the Executive Committee. He shall be paid an annual salary of not to exceed twenty five hundred dollars and shall be reimbursed his actual and necessary expenses incurred while traveling on the business of the Conference.

The Secretary shall annually prepare and submit to the Conference a budget of the expenses for the ensuing year. He shall make all necessary arrangements for a program for the regular annual meeting and shall edit the stenographic reports of the proceedings at all meetings. He shall, also, so far as possible, cooperate and keep in touch with organizations, societies and other agencies designed to promote uniformity of Legislation.

## ARTICLE X

The Treasurer shall have the custody of the funds of the Conference, subject to the rules of the Executive Committee. He shall deposit funds of the Conference in its name, shall annually report all receipts, disbursements and balances on hand and shall furnish a bond with sufficient sureties conditioned for the faithful performance of his duties.

## ARTICLE XI

Persons not members of the Conference shall not be heard until the regular order of business for the day has been concluded, and then only by unanimous consent. All programs for social entertainment must be approved in advance by the Executive Committee.

## ARTICLE XII

These articles or any of them may be altered, amended, added to or repealed at any time by a majority vote of all Governors present and voting at any regular annual meeting of the Conference.

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# **REPORT OF PROCEEDINGS**

## **Twenty-Eighth Annual Conference of Governors'**

**St. Louis, Missouri**

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### **OPENING SESSION**

**Eleven O'clock A. M.**

GOVERNOR PAUL V. McNUTT: The Twenty-eighth Session of the Conference of the Governors of the States of the United States will please be in order. Invocation by Dr. H. A. Woolfall, of St. Peter's Episcopal Church.

DR. WOOLFALL: Almighty God, our Heavenly Father, who has summoned us to be Thy servants, grant that in all of our deliberations we may seek to discover Thy Mind. Bring our souls into harmony with Thine. Keep our hearts ever responsive to every human need. Endow us with the ability to think fairly, to see straight, and to act in accordance with Thy Will, through Jesus Christ, our Lord, Amen.

CHAIRMAN GOVERNOR McNUTT: It is with great pleasure that I present to this gathering our gracious host, the Governor of the State of Missouri, Honorable Guy B. Park.

GOVERNOR PARK: Governor McNutt, fellow Governors, ladies and gentlemen:

Several years ago Mrs. Park and I were visiting Mt. Vernon, in company with our daughter, and while there we dropped into conversation with a young man from Pennsylvania, and in the course of the conversation he inquired where we were from. We told him, "From Missouri." He hesitated a moment and said, "I can recall only two Missourians, I wonder if you know them." I said, "Who are they?" He said, "Jesse James and Jim Reed."

It so happened that I had the pleasure of the acquaintanceship of both of the gentlemen. Without implying

that the distinguished Governors from far away States are as unfamiliar with Missouri as was that young Pennsylvanian, I want to take a moment to tell you a little about the State you are in. It is the center of the United States, two states to the north, two states to the south, four east and four west. Its area is approximately sixty-eight thousand square miles, its population is three million, eight hundred thousand. Its people, on account of its location, have come from all sections of the country. It has the Yankee from the East, the Dutch from Pennsylvania, the chivalric Southerner, and the hardy Westerner, and a combination of that blood has made Missouri quite a progressive State. It is called the Mother of the West.

The first white settlement in the Louisiana Purchase was at Ste. Genevieve, just a few miles south of here, on the Missouri side of the Mississippi River, and that began the population of the entire Louisiana Purchase.

St. Louis was settled a little later. The two principal cities of Missouri, St. Louis, with a population of eight hundred thousand, and Kansas City, with a population of four hundred thousand, are on the extreme borders of the State. I hope that before you leave you will have the pleasure of visiting Kansas City.

Missouri is a State of varied resources. She produces practically every crop that may be raised in a temperate climate; wheat, corn, tobacco, oats, barley, potatoes—and, by the way, you may not know it, we raise a great deal of cotton in Missouri, and a fine quality of cotton. It produced year before last eleven million dollars, the sale of our cotton crop, and cotton was then five cents a pound, and I understand now is about twelve cents a pound.

The farming area of Missouri is north of the Missouri River, which divides the State into two definite parts.

We have some wonderfully productive soil. It is a great fruit country. In the northwestern and southwestern sections fine flavored apples are grown, and by the way, the Governor-elect of this State is the head of the famous Stark Nursery which produces what we think are the finest flavored apples in the world.

Missouri; south of the Missouri River, are the beautiful Ozarks. The hills rise about a thousand feet above the normal level of this state. Eight hundred feet is the normal height or level of the State. These hills run to eighteen hundred and two thousand feet. One of the most interesting sights, and I hope that when you are in Jefferson City you will take advantage of the planes we

will furnish you to fly over the Lake of the Ozarks. It is an artificial lake made by the construction of a dam across the Osage River. It has a shore line of sixteen hundred miles. It is the largest artificial lake, by the way, in the United States, at present. It nestles down in those Ozark hills and is like a mirror, and full of wonderful fish, bass and crappie and jack salmon, and other fish native to this country. The Ozark region is full of beautiful silvery streams, all of them good fishing streams, and I regret very much that my old friend, Governor Futrell, is not here. It has been my pleasure to fish with him in the Ozarks of Missouri.

We have a wonderful road system, about fourteen thousand miles of improved roads in Missouri, and we have voted one hundred thirty-five million dollars in bonds for road purposes. The last were sold about six months ago, and they were sold, by the way, above par, and the bonds bore interest of only two per cent; and since that time we have sold some bonds voted for eleemosynary purposes, we sold the last two million at par, bearing interest at one and three-quarters per cent. I simply state that so that you may know you are in a State whose credit is good.

At the close of my administration, we will be out of debt, and according to the St. Louis newspapers, we will have about two and a half million dollars in the State Treasury. When I took office four years ago, the State was in debt; we had unpaid obligations of practically two million dollars.

Of course, we are very very happy to have you with us. We feel honored, and during your stay here, our pleasure will be your desires, and if there is anything that we overlook, it will be a mistake not of the heart. We hope your stay here will be pleasant, and I want all of you who possibly can to continue throughout the three days. Tomorrow we will be in Jefferson City, the State Capital, located at the center of the State. We have a very beautiful Capitol Building, upon a very picturesque site. It overlooks the Missouri River, and is one of the grandest views in the State of Missouri.

From there, we will go to Kansas City, which has the second largest beef cattle packing plant in the world. It is supplied—well, it is tributary to all of the great Southwestern Cattle Country—a very progressive city. In St. Louis—you will see that this afternoon—you will see the beautiful new auditorium, the famous Shaw's Gardens, and we will also visit the proposed site of the Jefferson Memorial on the Missouri River. In Kansas

City you will see the Nelson Art Gallery, and while you are there it is going to be our honor to confer upon General Craig, Chief of Staff of the United States Army, a distinguished Service Medal. General Craig is a native of Missouri, and we are very very proud of him, and very happy to have the opportunity to pay homage to him.

By the way, Missouri is not only the home of our present Chief of Staff, but is the home of General Pershing, Admiral Koontz, and General Crowder, the three men who had more to do with the mobilization and command of the troops during the World War than any three Generals in the United States. Pershing, you know, was Commanding General; Koontz was Admiral of the Navy during that time; and Crowder was the man who had charge of the draft. In fact, it was Crowder who initiated the draft system. So we are very proud of our military record, back in this Middle Western State.

Again, may I express from myself and Mrs. Park, and for all Missourians, our happiness at having you here, and trust your stay will be interesting, instructive, and enjoyable.

CHAIRMAN GOVERNOR McNUTT: Thank you very much, Governor Park. We have already experienced the generous hospitality of Missouri, and our knowledge of those who now have in their hands the destinies of this State has dimmed, if it has not obliterated, the memory of Jesse James and of Jim Reed. Experience has taught us that a community teeming with business and industry may be cold and inhospitable. That is not true of St. Louis. Despite the great business activity of this community, despite all of the contributions which it has made for our people through such activity, nevertheless we find in this community a center of art and of culture. We find here likewise a characteristic Southern hospitality, generous in the extreme. We are happy to have as our guest, Thomas M. Dysart, the President of the St. Louis Chamber of Commerce, Mr. Dysart:

MR. DYSART: Mr. Chairman and Governors, ladies and gentlemen:

Governor Park has so warmly welcomed you to Missouri in his talk, that there is nothing left for us to do for you but to show you our appreciation of your coming here, which we hope to do later today. I know you have a busy program this morning, and I am not going to take any of your time. I do want to express the extreme regret of our Mayor, the Honorable Bernard F. Dickmann, that he could not be here with you this morning. He is on his way to New Orleans.

We have a very informal luncheon planned for you. Start as promptly as possible, at one o'clock. We hope to leave here at two, or shortly thereafter, on a tour of the city. As Governor Park said, we want to show you our Jefferson Memorial site, and our new Civic Building, and we are going to stop for just a few moments at the largest brewery in the world. You may or may not sample its product, as you think best. We are going to Shaw's Gardens, which is known all over the country, and from there into Forest Park, where we hope to find the new Jewel Box, just opened yesterday, one of the finest flower exhibits in America; from there we will go to the Municipal Theatre and Auditorium, and we hope that when you leave for Jefferson City in the morning you will be as happy for having come here, as we are happy in having you with us.

CHAIRMAN GOVERNOR McNUTT: To adequately express our deep appreciation, the Governors of the States have selected one of their own number, the Honorable Theodore F. Green, Governor of Rhode Island and Senator-elect from the State of Rhode Island, Governor Green:

GOVERNOR GREEN: Mr. Chairman, Your Excellency Governor Park, President Dysart, my fellow Governors and guests:

It is a real honor to be selected to voice the appreciation, Your Excellency, of your fellow Governors, and the hospitality we are enjoying, and the greater hospitality to which we are looking forward at this, the Twenty-eighth Conference of the Governors.

It is generally said that when one comes from Missouri, one has to be shown. It seems to me that the converse is apparently true. When one comes to Missouri, one has to be shown. We have had a vivid picture of the length and breadth and height and Spirit of Missouri in the eloquent address of the Governor of the State, and now we are going to be taken from the east to the west to be shown that it is all true.

We are starting here, as I understand the program, we are going to be taken up that great river, the greatest of all American rivers, the Missouri River, to Jefferson City, and to Kansas City, that we may be shown what Missouri is like, and I am sure we look forward with keen anticipation to this very full program which has been planned for our entertainment, and also instruction.

Now, I have been very much impressed with what Missouri has to offer, and while the Governor was speak-

ing I could not help thinking of the contrast that is offered between it and many of the other States. I am saying, just by way of illustration—I happen to come from the State which is the smallest in geographical area. If one chooses to motor, as I often have to do in speaking campaigns, from the extreme north to the extreme south of the State, you can cover it easily in an hour and a quarter, or from the east to the west in an hour, and if, as I have done, I want to fly, I have flown from outside of the State and returned, and then taken off from each county in the State, and covered the entire distance in fifteen minutes and forty-eight seconds, thereby getting a record, I think, as a flying Governor.

On the other hand, we find the great State of Texas, an empire in itself. But what does size signify? I don't think it is geographical size that is of very much importance. Certainly not at this meeting of the Governors. Our problems are the same, or largely the same, and our amount of work is about the same, whether one comes from the smallest of these great States—I mean, of the States of the Union great in other ways than size—or whether one comes from the largest—it may make some difference where the population is as closely settled as in Rhode Island, or as sparsely settled as it is in some of the newer States, and it may make a difference whether the State is rich or poor, whether it is industrial or agricultural, or whether the population is largely literate or illiterate, but after all, the fundamental problems are the same, and those problems are becoming more and more nearly the common problems of all of the forty-eight States of the Union, and it is those common problems which we want to discover at this Governors' Conference.

I believe not only Rhode Island has much to learn from the experience of Texas, California much to learn from the experience of Delaware, but that in these great laboratories of States we can all benefit by the experiments that the different scholars are conducting in those laboratories, and can all benefit in our respective States from the experiences of the other States, and I hope that is going to be the result of this Conference. I believe it is going to be the result of this Conference. Especially as we have met here at pretty nearly the center of the United States, in certainly a typically American State, as the Governor has explained to us, although he did not use just those words. I think that it is a very happy place in which we can study these post-war problems—and when I say “war,” I am not referring to the Great War, I am referring to the war against depression. It has its post-war problem, as well as every other great

war fought with arms, and I understand that our program is to deal largely with such problems. I hope so. And I hope that we will all get inspiration not only from the Spirit of St. Louis, that flew across the Atlantic, but from the Spirit of Missouri, as Governor Park has described it to us. We are very grateful for the generous hospitality which the State of Missouri is offering to us, and Governor Park, we are glad to be your guests here today.

**CHAIRMAN GOVERNOR McNUTT:** One manifestation of the hospitality of the City of St. Louis is the insistence of the members of the Committee that we combine our morning and afternoon programs. Therefore, with your consent, we shall go ahead with the afternoon program at this time.

Nothing is more important than the security of our people. What has happened during the last few months has marked a turning place in our history. To me it has seemed that we have turned our face toward a better social and economic order. The thing which is of vital interest to everyone today is social security. Happily, we have with us in this meeting, one who has been a member of the Social Security Board since its inception, and has played an important part in the establishment of the administration machinery having to do with the operation of the Social Security Law. It is a great personal pleasure to me to present to this gathering an old and very true friend, the Honorable Vincent M. Miles, member of the Social Security Board, who will speak on Co-operative Federal-State Progress Toward Social Security. Mr. Miles:

**HONORABLE VINCENT M. MILES:** Mr. Chairman Governor McNutt, Governor Park, members of the Governors' Conference, and ladies and gentlemen:

It is always customary for a speaker to say it is a pleasure for me to be with you today, but it is not only a pleasure with me, it is a privilege and a responsibility, because the Social Security Act in all of its many features, except one, is largely an enabling Act, to set down minimum standards for the States to cooperate with the Federal Government in the objectives of the Act, and therefore the Social Security Board feels thankful for an opportunity for any of its representatives to talk with the Governors of the various Sovereign States of this Union, not only to report to you what we have been doing, but to ask you for advice and constructive criticism.

The Social Security Act was not, as it has been stated, hurriedly drawn. It was decided in conference between the Congressional leaders and the President that an ap-

propriation should be made by that Congress to study the question, and that Congress did make an appropriation of one hundred thousand dollars. The President appointed a Committee called the Committee on Economic Security, upon which he put as Chairman, the Secretary of Labor, four of his Cabinet Officers, and Mr. Harry Hopkins.

That Committee spent a year calling in all interested groups of business men and labor, all eleemosynary institution experts of this country and abroad, and made a report on January 1st, 1935, to the Congress, for the formation of an Act. I want to pay a tribute to the Ways and Means Committee of the House, and the Finance Committee of the Senate, for spending five months in the busy days of the Congress of 1935 in daily hearings, to take the last vestige of the fuzz of theory off the Act, if possible so to do. That Committee wanted to make it an American Act and not a European Act. It has been much discussed and greatly discussed recently. I think we are all, as citizens of America, in a Democracy—we believe in the final judgment of the people, and if the Act is good and the people understand it, it will be continued. If there is some good in it, and some bad in it, the bad will be eliminated and the good retained.

If it is all bad, it will be thrown out of the window. Therefore, I think it is the duty of every citizen to study it, familiarize himself with it, assist the Board with constructive criticism, help in the administration of it, and find out what it means. The attitude toward it reminds me somewhat of a mountain story I heard as a boy, in southwest Virginia. Governor Peery and I grew up together down there in the Ninth District, his own Congressional District, which borders in the North Carolina Allegheny Mountains. I just moved out there and settled in the foothills, so you can call me a mountain man, and I am proud of it.

This is an early mountain story I picked up as a boy in the Alleghenies. There was an old codger out there living on a little hillside farm, and a pack peddler came through the country one day and showed the old man his trinkets. The old man lived on one of these farms where you plow with a mule along the side of the hill and raise a little corn—and it came under the head of his business what he did with it. This pack peddler finally, after showing him a lot of trinkets, showed him a little mirror about that big (indicating). He looked down into it and then looked at the pack peddler and said, "My Lord, where did you get that picture of my pa?" The pack peddler saw that he had him hooked, and so he said, "If you want it, you can have it for thirteen dollars." And



so the old man bought it. He took it home. He did not want to tell the old lady that he had spent so much money for a picture of his pa, so he climbed up the ladder into the attic and hid it. Well, she saw him go up there about twice a week, and saw him looking at something and she became uneasy, and one day when he was not at home she climbed the ladder to the attic and hunted the mirror up, and when she looked at it she said, "So that is the ugly old hussy he has been making love to."

Now, I would say it is our duty to determine whether this is an ugly old hussy or not, and I have no doubts about the answer, when people understand it.

I want to thank the Governors particularly for their interest they have taken in the question of unemployment compensation. Fifteen States and the District of Columbia now have Acts. About forty-five per cent of the real workers in industry, the beneficiaries under this order, are now covered, for the large states of Massachusetts, New York and California have the Acts. I want to refer you to the record just a little bit and give you the situation in the United States before 1935, especially with regard to the problem of unemployment compensation; although a number of States had enacted legislation before 1935 for old age pensions, blind pensions and mothers' pensions, no State except Wisconsin had enacted a law for unemployment compensation. Beginning in 1916 and before 1935, a series of bills for this purpose were introduced in twenty-eight states and the District of Columbia. In 1916 such a bill was proposed in the Massachusetts Legislature. During the nineteen-year period between 1916 and 1935, bills were introduced in the twenty-eight State Legislatures 180 different times. In the twenties, legislation for unemployment compensation was proposed in six states; in 1931 in sixteen States; in 1933 in twenty-five States, including the District of Columbia; and in 1934 in five States.

Probably every member of this audience is familiar with the reason for this almost complete failure to enact unemployment compensation laws before 1935. But those who are not entirely familiar with the reason may look upon this record as incredible. The outstanding objection of the opponents of this legislation is simple. Were employers of labor opposed to the cost of unemployment compensation? That is not the answer, for in almost every State which had considered such a law, a large proportion of the employers indicated that they would have been willing to contribute toward the cost of unemployment compensation. The cost of unemployment compensation, just as that of workmen's accident

compensation, was looked upon at that time, as it is today, as a logical charge against production costs. But—and here we have the complete explanation—employers in any one State were not willing to contribute if competing employers in other States, without such laws, had no such additional expense, outside of their regular production costs. Therefore, chiefly objection to it was that the people of another State did not need to add it to the cost of their production. Thus, the chief obstacle in the path of legislation for unemployment compensation was the economic handicap among States. To increase the production costs of employers in one State above those in other States would have resulted, it was rightfully contended, in creating an unfair disadvantage to those concerns which were contributing toward unemployment compensation.

The Social Security Act has removed this interstate handicap by means of a uniform pay roll tax on employers in every State in the Union. That fifteen States and the District of Columbia have now enacted unemployment compensation laws, and that a number of States have indicated that they will enact such laws as soon as their Legislatures convene is the proof of the fact that this plan, set forth by the Act, has been accepted as workable.

The fifteen States with unemployment compensation laws are: Alabama, California, Idaho, Indiana, Louisiana, Massachusetts, Mississippi, New Hampshire, New York, Oregon, Rhode Island, South Carolina, Texas, Utah, and Wisconsin. The Social Security Board has approved the laws of the District of Columbia and all these fifteen States, except that of Louisiana. In Louisiana the law could not go into effect until an enabling amendment to the State Constitution had been approved in the recent general election. The people in Louisiana have now registered an overwhelming vote for the amendment.

It is of interest to note that twelve of the sixteen States which have now enacted unemployment compensation laws had unsuccessfully attempted to pass such a law before the passage of the Social Security Act. Legislation for this purpose had been introduced in the New York State Legislature sixty-eight times altogether, and in nine different years; in Massachusetts twenty-nine times and in ten different years; in California seventeen times and in three different years; in Indiana six times and in four different years; in Wisconsin once in each of five different years; in Rhode Island once in each of four different years; in Utah, twice in 1933; and once in New Hamp-

shire, Oregon, Louisiana, Texas, and the District of Columbia.

Wisconsin's law was enacted in 1932, as you know. At that time the Social Security Act was not being considered and, until its passage, many manufacturers were placed at a disadvantage in paying their contributions because of the competition with manufacturers in other States without such a law. In 1935, in expectation of the passage of the Act which would mean the elimination of the interstate handicap, five other States passed unemployment compensation laws, but they were not in operation until after the Act was passed.

When the Louisiana law has been submitted to and approved by the Social Security Board, employers in that State, as in all the other States with approved unemployment compensation laws, may credit against the Federal pay roll tax, up to ninety per cent of its amount, the contributions they make to their unemployment compensation funds for employment as defined for purposes of the Federal tax. This tax is levied on employers who have in their employ eight or more persons on as many as twenty days in a calendar year, each of the twenty days being in a different calendar week. First payment on this tax will be in 1937 and will amount to one per cent of wages paid in 1936. The payment in 1938 will be two per cent of wages paid in the preceding year, and for 1939 and thereafter, three per cent of wages paid in each preceding year.

In Wisconsin, on August 17, this year, the first State check for unemployment compensation ever issued in the United States was paid to an unemployed worker. By November 1, 1936, Wisconsin had issued 7,111 benefit checks to 4,750 beneficiaries and had paid out a total of \$61,217 in benefits. On October 15, the Wisconsin unemployment compensation fund, in reserve for unemployed workers, amounted to \$15,988,000.21. So as to permit time for accumulation of reserves, payments of benefits in other States do not begin until two years after their laws became effective. It is interesting to state the best estimate that can be made from the labor records that we have of the situation, that would be accurate, if we had had unemployment compensation beginning in 1922, up until 1930, there would have been accumulated in the reserves, under the present set-up, beginning at one per cent in 1922, two per cent in 1923, and three per cent in 1924, about five billion dollars. There would have been approximately three billion paid out in benefits, and when the depression started in 1930, there would have been two billion dollars of that reserve for the use of the

various States to take up the shock of the depression. It is not the contention of anyone, any of the experts or any of the Governors, I think, as Governor McNutt will tell you, that an act of this kind is a complete answer to a depression as severe as the recent one. It is regarded as the first line of defense, as a shock absorber, so that when people are laid off, fear will not grip them and they can continue to feel that they have a certain number of weeks they will have some regular income that they can spend as a matter of right, and that therefore depressions will be postponed, and possibly averted. The one question in connection with the whole thing is proper administration. It is a direct thing to administer—not an indirect thing to administer, but you are dealing with human beings and there are indirect matters in it, and the administration of it, in all features of the Social Security Act, is the important thing.

According to estimates submitted by the States with approved unemployment compensation laws, the number of employees covered in these States is approximately seven million, five hundred thousand.

This is indeed notable progress since you know the Social Security Act was passed after all of the regular legislative sessions held in 1935 had come to an end and only nine legislatures held regular sessions in 1936.

In the various other factors of the Act approximately about forty-five States participate. That is what we call the public assistance feature. It accords to the State a needy assistance fund, a needy blind fund, and a fund for dependent children. Prior to the passage of the Social Security Act, a great many States had similar statutes. Some of our fraternal associations, such as the Fraternal Order of Eagles, and others, had sponsored them in various States. At first they were not uniform and statewide. In some counties they applied and in some they did not. The object of these acts, the first one being passed in Montana in 1923, was to do away with the fear of the "Over the hill to the poorhouse," and give old people—needy old people—some cash so they could stay at home. You Governors are all familiar with it.

The Social Security Board did not have an appropriation until February 11th of this year. Since that time we have had a total of forty-one States cooperating with the Social Security Board, or with approved plans in one or more of their features. I want to state to the members of the Governors' Conference that the attitude of the Social Security Board is not one of high hat or beaureaucracy. The Board is organized as a board of three—an honest

bipartisan board, with one representative from the minority party. It is under Civil Service, based on the Merit System. We haven't any authority, in connection with the selection, compensation, disposition or placing of the personnel of the State, but we do have an anomalous situation to us, in that there is a national administration. The only way we see to get at that, is that we take a fraternal and not a paternal attitude. You might compare it somewhat to the grants by the Bureau of Public Roads. It is only the Board's duty to see that the State lives up to the agreement that it makes when the grant is made, and that is a simple function.

The real and important thing is administration. It is interesting to think that at the time the Committee on Economic Security met, some of the experts were divided as to methods of the administration. It is inconceivable to me that a bureau in Washington should come into the States of the Union and attempt to determine the needs of the citizens of that State.

To further the progress toward enactment of unemployment compensation laws, commissions have been appointed in nine States, Arkansas, Colorado, Kentucky, Michigan, Minnesota, Missouri, North Carolina, Tennessee, and West Virginia, as well as in Hawaii, to study the question and make recommendations to the Governor or the Legislature. Between June and October of this year special sessions of the Legislature to consider unemployment compensation were held in five States, Kansas, Mississippi, Idaho, Utah, and Texas, the last three of which enacted laws during these sessions. Special sessions of Legislatures of two other States, Arizona and Connecticut, convened just a few days ago.

Two States, Louisiana and Kansas, amended the State constitutions at the polls on November 3rd, in order to permit enactment of unemployment compensation laws as well as adoption of public assistance plans meeting the provisions of the Act.

The Governors and the Commissions they have appointed have shown a high degree of cooperation with the Social Security Board. The President and the Congress determined that this was a State responsibility, and not a Federal and State Cooperative Act. We come down to the only national feature of the act, and that is handled by the Social Security Board, and that is the Old Age Pension benefits. Efforts were made to find some way to pass it over to the State administration. The Congress was advised that it was impossible to work out a sound plan, because of the movement of labor from

one State to another, unless it were national, that has any element of need in it. It is based upon a contribution, in equal amounts, of employers and employees, so that when a man reaches the age of sixty-five, he has an annuity payable to him as a matter of right. It is a property right. The most forward-looking business corporations in this country had adopted this plan before the Social Security Act came in on a fifty-fifty contribution arrangement by employer and employee to set up a reserve fund so when their employees reached the age of sixty-five or seventy, the age covered by the agreement, he should retire. The trouble with this private plan was that a man had to work for one company constantly, to reach the age of retirement, to receive his annuity. Under the Federal plan, a man can work for any person, as long as he is a worker in any of the accepted classifications, and he has his reserve built up by his earnings and the contributions of his employer. It was found upon investigation that so many corporations who claimed to have private retirement plans did not set up a proper reserve, but charged their retirement to the pay roll, as a payment expense, so it could be deducted for income tax purposes, so that the retirement payment for the employee was based solely upon the stability of the company, and if they went into bankruptcy, the employee had nothing.

The Governors and the Commissions they have appointed have shown a high degree of cooperation with the Social Security Board. The work of the Commissions has been threefold: First, a study of the problems of unemployment, the number and kinds of industries and trades in the State, the fluctuations in business and labor demand in these industries and trades; second, the value of legislation for compensation of the unemployed; and third, the actual drafting of the laws.

I think it should be mentioned here that the Governors have, without exception, backed up the Commission reports, regardless of politics.

Although unemployment compensation does not lend itself to actuarial determination of benefits with the same precision as is possible in other forms of insurance, some approximate estimate can be made. On the assumption that the past experience during an entire business cycle furnishes a guide to possible future unemployment, actuaries and statisticians have computed the maximum benefit periods which could have been allowed at varying contribution rates. These computations were made on the basis of the unemployment experience of the years 1922 to 1933, and 1922 to 1930 respectively. According

to their estimate, if a system of unemployment compensation had been in operation everywhere in this country during the years from 1922 to 1933, a three per cent contribution rate, one per cent in 1922 and two per cent in 1923, with the coverage of the present Federal tax, would have resulted in total collections of approximately \$8,746,000,000.00. During the period from 1922 to 1930, the unemployment compensation fund accumulated would have enabled the States to pay benefits amounting to approximately \$5,000,000,000.00. Moreover, at the beginning of 1930, \$2,000,000,000.00, according to best estimates, would have remained in the fund to meet the drain of the depression.

This \$2,000,000,000.00 would have gone a long way toward offsetting the relief costs of the unemployed. Many millions of the unemployed who were left destitute would have had some money for food and shelter; and the increased purchasing power resulting would have helped to increase production in plants making consumers' goods and to increase sales in the stores. In addition to the benefits to the individual unemployed worker, unemployment compensation assures benefits to the State as a whole—to the industries which profit from the increased purchases and to the community at large. Although the compensation benefits a man receives are but half of his normal wage, the fact that he receives a regular income, even though small and for a comparatively short length of time, keeps him in the ranks of self-respecting members of his community, and out of the relief rolls. To a large extent, he is able to continue his normal pursuits, buying goods that other labor produces. He is a self-respecting, income-receiving member of society, a status to which his record of employment in the past has entitled him.

During times of emergency, although unemployment compensation will not completely eliminate the necessity for unemployment relief, it will reduce the necessity and the cost for relief to the extent that unemployment reserves are accumulated. In normal periods and during minor depressions, unemployment compensation will provide a sufficient safeguard for most of the unemployment that will occur. Likewise in major depression periods, unemployment compensation will very materially reduce the burden of relief costs. It will tend to maintain purchasing power at times when most needed and should encourage the stabilization of employment.

This is the universal testimony of interested groups in all of the countries of the world that have had unemployment compensation laws in effect during this last major



depression. In England, for example, the Conservative Party as well as the Liberal Party and the Labor Party has consistently supported unemployment compensation.

In this country as well it has now come to be recognized that there is an absolute need for an orderly, systematic, and equitable system of protecting workers who become unemployed through no fault of their own. A quarter of a century ago in this country there was a similar demand for an orderly, systematic, and equitable system of protecting workers and their families from the wage loss caused by industrial accidents. It was recognized that the majority of accidents that occurred in industry were due to forces beyond the worker's control and that at least part of the wage loss which they caused the workers should be borne by industry.

Since unemployment compensation laws grant benefits only to workers who become unemployed through no fault of their own and who have not refused to accept suitable employment they cover only unemployment which is involuntary and which is due to impersonal forces inherent in our modern industrial system. Therefore, unemployment compensation is of the same character as workmen's compensation which pays for involuntary unemployment due to industrial accidents. Just as today all except two States have workmen's compensation laws, I am confident within the very near future all of the States will have unemployment compensation laws.

Public assistance to the needy is nothing new to this country. Three hundred years ago our earliest colonists, following the English poor laws, made provision for the needy from public funds. As the American Government took form, those early laws were expanded and strengthened to meet new needs. Since the turn of the last century, in particular, we have been steadily moving toward the step which we took in 1935. In that year, the Federal Government assumed a share of the responsibility for public assistance to the needy aged and blind and to dependent children.

It was nearly forty years ago that our State Governments began to assume responsibility in this field. Ohio enacted the first blind pension law in 1898. The importance of caring for dependent children in their own homes was first recognized as a State function when Illinois passed a State-wide mothers' aid law in 1911. Then followed in rapid succession a majority of the States. Agitation for old-age assistance began in 1907, but little was actually done for the aged before the 1920's, and Alaska's old-age pension law, passed in 1915,



remained the only law of its kind until 1923. In that year, Montana enacted a similar law, and from then on State after State followed suit in quick succession.

By the beginning of the depression, in 1930, nearly all the States had mothers' aid laws. Many had provisions for the needy aged and blind also. As the depression deepened, the number of State laws for aid to these groups continued to grow. But with growing needs, the State and local funds diminished. It became impossible to give the help that was needed from these funds alone. There were laws enough. At the end of 1934, twenty-five States and two Territories had old-age assistance laws; twenty-four States had laws for aid to the blind; and forty-five States and the District of Columbia had mothers' aid laws. But in many States only a small proportion of the counties were benefited. In others, even where the system was State-wide, there was so little money that the individual grants were too small to help very much. All over the country there were needy people who were receiving no help at all from State or local funds. They had to be helped through the State Emergency Relief Administration. The Federal Government, through the F. E. R. A., was already carrying a very large share of the cost of providing for the needy aged, the blind, and dependent children when the Social Security Act was proposed in Congress.

Then, while the Act was pending, a number of additional States enacted laws in anticipation of Federal aid, and submitted their plans as soon as the Social Security Board began to function. The Board was thus able to approve a large number of State plans soon after the Social Security Act went into operation, and to make grants to these States as soon as funds became available in February of this year. Forty-three States now have one or more public assistance plans approved under the Act; twenty-three are cooperating in all three programs. November estimates indicate that more than one million four hundred thousand needy men, women and children—the aged, the blind, and children who have lost the support of their natural breadwinner—are receiving regular cash allowances under these Federal-State programs. Altogether, nearly ninety million dollars have gone to the States in Federal grants for public assistance since February, when funds first became available. Of this amount, nearly seventy-nine million dollars went to forty-two States for assistance to over a million needy aged, over three million to twenty-seven States for aid to nearly thirty thousand needy blind; and over eight mil-

lion to twenty-seven States for aid to about three hundred thirty-eight thousand dependent children.

What these figures mean we can better understand if we compare the numbers of needy people now receiving aid with the numbers helped under State and local laws in 1934. Eighteen of the forty-two States now receiving grants under the Social Security Act had no old age pension laws in 1934; today these eighteen States are aiding over three hundred eighty thousand old people. The other twenty-four States, although they had old age pension laws in 1934, gave assistance to less than two hundred thirty-four thousand in that year. Today they are helping approximately six hundred sixty-six thousand—very nearly three times as many. All told, the needy old people are receiving today more than eight times as much money from combined State and Federal funds as they received from State and local sources in all States in 1934.

As to the blind, eleven of the twenty-seven States which now have plans under the Act had no blind assistance laws in 1934. The sixteen States which had laws in both years are now giving help to about a third more persons than in 1934.

The number of dependent children receiving aid under Federal-State plans in twenty-seven States is more than twice as many as were covered by mothers' aid laws in the same twenty-seven States in 1934. This is largely due to the more liberal terms of the present social security program, as compared with mothers' aid under previous State laws. Many of the early State laws covered only children living with widowed mothers. Under the Social Security Act, State plans give aid to children whose normal homes have been broken by other causes, and to children living with certain close relatives as well as to those living with their own mothers. The age limit, also sixteen years under the Act, as compared with fourteen years in the earlier State laws, also brings more children within the scope of the Federal-State program, and there are other liberalizing provisions under the Social Security program. As a result the States and their local administrative agencies can now place primary emphasis on the welfare of the child, and on planning for each child's individual needs.

In caring for the aged, for the blind, and for dependent children, the States have thus made an extraordinary record of progress in the nine months since Federal grants have been available. There is still much to be done, however, and we of the Social Security board stand ready to do all we can to help; you have only to ask us.

We have gathered from the States an invaluable fund of information and practical suggestion growing out of their experience with their own plans. We can make this available to every State interested in developing legislation and administrative provisions, so that it may the more easily qualify for Federal assistance in all three public-assistance measures.

Marked progress, I should add, is being made along these lines. Many States which had not done so before have now appointed Commissions to study their present laws and administrative operations, and make recommendations to the Governors and Legislatures. I have already mentioned the Constitutional amendments of Louisiana and Kansas, which were approved by the voters of these States on November 3rd. Amendments to the Constitutions of Florida and South Carolina were also approved by the voters on November 3rd to permit certain public-assistance provisions under the Act.

We have also found, in these recent months, increasing recognition of interstate problems in the field of public assistance. An aged person, for example, may have relatives in adjoining States who are willing and able to offer a home, but unable to furnish him complete support. Under most State laws for old age assistance, the needy person must remain in the State that is giving him assistance, and consequently is unable to live with his relatives. Yet this arrangement would frequently reduce the cost of his support. Similar situations occur both in aid for dependent children and aid to the blind. Many States are considering interstate agreements to cover cases of this sort.

Another type of interstate problem occurs when old people who lived in one State for many years move to another State and soon find themselves in need. Under most State laws, they are ineligible for assistance in the State to which they have moved until they have completed five years of residence; and often the State from which they have moved denies them assistance on the ground that they have lost their previous State residence. Since it is likely in most cases that the movement of dependent aged, blind, and children in one State is counterbalanced by a similar movement out of that State, it would seem that the States might well work out agreements among themselves to cover such cases under the public-assistance provisions of the Social Security Act.

I believe that everyone here will agree that there is a dire need for some measure of support to the wage earners of this country when they become too old for work. According to the report of the President's Committee on

Economic Security, three million seven hundred fifty thousand people over sixty-five years old—approximately half the entire number of the population in this group in 1935—were dependent upon public assistance, private charity or their relatives and friends. Even in 1929, the year which is considered the most prosperous for the majority of our people, estimates show that at least a third of these aged people were dependent upon others for support. Also in that year, according to the most reliable estimates, forty-four per cent of those with jobs, excepting farmers, but including agricultural labor working for pay, earned less than one thousand dollars a year—not a large income from which to save enough to support themselves and their families during times of emergency or when they become too old for work. As the percentage of aged persons is increasing, the problem of their insecurity becomes more serious each year. There are today approximately seven million five hundred thousand men and women in this country over sixty-five years old. By 1980 it is predicted their number will have increased by nine million five hundred thousand—or more than doubled.

Under the provisions of the act for old age benefits, qualified workers will receive retirement benefits, as a matter of right, at the age of sixty-five. No means test will be required. The old age provisions are best understood if we compare them to insurance. They apply to wage and salary earners who are now young or middle-aged—men and women who work in industry, in business offices, in commercial enterprises of all kinds—about twenty-six million workers in all. This part of the Social Security Act provides, for these men and women, an income for life after age sixty-five when they are no longer at work. This income will be paid to them by the United States Government in monthly checks—like the installments on annuities from an insurance company. Or a payment will be made to the worker's family if he dies. Whatever happens, the worker or his family gets back more money than he pays in.

Like an insurance company policy, the worker's old age benefit from the Government must be paid for in advance. Instead of weekly, monthly, quarterly, or yearly premiums, however, the Government collects weekly or monthly payments which are called taxes. But these premiums, or taxes, are shared by the employers and the workers equally, although the direct benefits come to the workers only.

Any sound insurance company has a reserve fund. The United States Government, in the Social Security Act,

sets aside an Old Age Reserve Fund out of which to pay the workers' annuities when they come due. This Reserve Fund is held in the United States Treasury and is guaranteed to draw not less than three per cent interest. That means that three cents will be added to every dollar in the fund every year. The Federal plan was worked out with the advice and collaboration of insurance experts from private companies. And most of the big insurance companies welcome it because it covers a field hitherto uncovered—a field too big and expensive in fact, for any private insurance enterprise to cover.

What are the benefits the workers will receive? What will be the amounts of the monthly checks that go to them from the United States Treasury after they are sixty-five years old and no longer at work?

The size of those checks will depend entirely upon how much the worker earns in wages or salary from his industrial or business employment between January 1, 1937, and his sixty-fifth birthday. A man or woman who gets good pay and has a steady job most of his or her life can get as much as eighty-five dollars a month for life after age sixty-five. The least any worker can get in monthly benefits is ten dollars a month.

The same law that provides these old age benefits for wage and salary workers, sets up certain new taxes to be paid to the United States Government. These taxes are collected by the Bureau of Internal Revenue of the United States Treasury Department. The law also creates an "Old Age Reserve Account" in the United States Treasury, and authorizes Congress to put into this reserve account each year enough money to provide for the monthly payments workers are to receive when they are sixty-five.

The taxes, or premiums, called for in this law will be paid by employers and by workers, at the rate of one cent on each dollar of the worker's earnings, up to earnings of three thousand dollars a year. That will mean for the next three years, fifteen cents a week, twenty-five cents a week, thirty cents a week, or more, according to what the worker earns. In other words, during the next three years, beginning January 1st, 1937, the worker's premium will be one cent for every dollar he earns and at the same time the employer will pay one cent for every dollar the worker earns, up to three thousand dollars a year of earnings.

After the first three years, the worker and the employer will each pay half a cent more every three years, until finally, beginning in 1949, twelve years from now,

each will invest for old age security three cents on every dollar the worker earns, up to three thousand dollars a year. That is the most anybody will ever pay.

The Federal old age benefits plan will go on just the same when the worker goes to another employer, so long as the job is in a factory, shop, mine, mill, office, store, or other such place of business. Wages earned in employment as farm workers, domestic workers in private homes, Government workers, and a few other kinds of jobs are not covered by the plan.

If an employer has an old age retirement plan for his employees, the Government's old age benefit program will not have to interfere with that. The employer can fit his plan into the Government program.

So much for the provisions of this part of the Act. You have all seen the recent announcements in the newspapers regarding how these provisions are being administered, including our plans for setting up the initial wage records and the assignment of social security accounts.

We are glad to say that the first part of this initial work has been completed. Under the system which we have formulated, an account will be maintained for each of the millions of workers who will be eligible for either monthly, lump sum, or death benefits. On January 1st, 1937, benefits will begin to accrue for approximately twenty-six million wage earners.

On November 6th, the Social Security Board, with the aid of forty-five thousand post offices, put into action the plan to set up the individual accounts for the wage earners in all parts of the United States.

Although this undertaking is of unprecedented proportions, the plan worked out with the forty-five thousand post offices is quite simple and will be conducted with all possible convenience to employers and employees.

Beginning today, post offices throughout the country will distribute to employers a form known as the "Employer's Application for Identification Number." This form will ask of the employer only seven simple questions, answers to which will enable the Post Office Department to know how many employees' application forms to deliver to each employer.

Then, beginning on November 24th, post offices throughout the country will distribute to employees, through their employers, forms known as "Application for Account Number." These employees' application forms will be distributed to all work places and will also

be available, after such distribution, at all post offices. Local postmasters will announce when these forms are available. The employee's application is a simple form asking a few questions such as name and address of the worker, name and address of his employer, the date and place of birth, and father's and mother's name.

On the return of this information to the post office a Social Security account will be set up for each person eligible and he or she will be furnished a card—comparable to an insurance identification card—certifying that an account has been set up and bearing the number of the employee's Social Security account so as to make it easy for the worker to find out at any time just how his or her account stands.

Except for the provisions for old age retirement benefits, the responsibility for continuing success in furthering economic security made possible by the Social Security Act rests upon the States. We, in Washington, can do nothing to forward this great cause without your support. We will do all that is possible, when requested, to advise the State commissions and agencies so as to clarify the problems faced in each State and to bring about a clearer understanding of how these problems may be overcome. During the first five months of operation, the Social Security Board has been called upon by almost every State for advice and consultation concerning legislation, organization and methods of administration in connection with either unemployment compensation or public assistance. The Board has served as a clearing house for the experience of States so that practices and procedures which one State has found especially suitable might be available to other States. When the States have requested such services, the Board has lent to State agencies members of its own staff whose special training and experience in these activities has enabled them to counsel the States.

Let me say in closing that we are grateful for the initiative, the constructive thinking and action of the Governors of all the States in carrying forward this greatest and most extensive humanitarian movement in the history of this country—a movement which will, within the not too far distant future, bring greater security and greater happiness to every man, woman and child throughout the Nation.

It is keeping approximately twenty-six million individual accounts. The Treasury Department will collect the taxes. The consolidated tax return from the employer showing the total amount of the tax taken from em-

ployee, and the employer's contribution, every quarter or every six months, will be sent in and there will be a National return sent in to the Social Security Board which will show the exact earnings of each person in the interim between those periods, and when anyone severs his connection with an employer, there will be a little triplicate slip made out, the man given one, one sent to the Treasury Department, and one sent to the Social Security Board, so when they change employment, or whenever a man comes up for employment in an accepted industry in the future he will have this identification card and the number on it can be changed and the card renewed at any time he loses it, by going to any of the officers of the Social Security Board. He will show this card to the employer that he goes to work for, and his number will be entered upon the employer's books.

The system was adopted, based on the theory that this generation should be taxed a definite tax, and each generation is to produce its own old age fund, and it is not to be a general tax levied upon succeeding generations, for a generation that is past sixty-five. It is proper, therefore, to have some form of reserve, and that is the theory of this Act.

There is no contention on the part of the Social Security Board that the Act itself is perfect in all of its details. After experience, certain minor amendments can be made for the purpose of reducing administrative friction, but it is the judgment of the Board that the Act is sound, because it does eventually care for old age in this country, due to a contribution from the employer, who can pass his part of it on to the consumers of his product, and from the employee, who pays about fifty per cent of it, and when these reserves are built up, they belong to the worker as a matter of right and investment and their receipt by him is not a matter of charity. I thank you.

CHAIRMAN GOVERNOR McNUTT: Is Governor Bridges here this morning?

GOVERNOR BRIDGES: Yes sir.

CHAIRMAN GOVERNOR McNUTT: The round-table discussion will be led by the Honorable Styles H. Bridges, Governor of New Hampshire, and Senator-elect.

GOVERNOR BRIDGES: I thought this morning that I would follow my notes rather closely, in order to set on paper just the experiences we have had in New Hampshire, and a few ideas relative to the problems of this Social Security Act.



They tell the story of the uncle who visited his young nephew, and he took his nephew to task and he said, "Now, Johnnie, you say your prayers at night and morning, do you?" And Johnnie said, "I say my prayers at night."

"Well," he said, "do you say your prayers in the morning?" And Johnnie said, "No." "Well," he said, "why don't you say your prayers in the morning, as well as at night?" "Well," he said, "I will tell you, Uncle," he said, "in the morning it is daylight and we can look out for ourselves."

Now, the whole principle of Social Security is the ability of Government to look after this in some aspects of life where the individual or individuals were unable to help themselves.

In discussing the various phases of the Social Security Programs, as written into law by the States and by the Federal Government, I shall present some of the facts relating to problems which have arisen in a small State, where administration is close to the people. But I suspect the problems will be similar in character to the experience of larger States.

The Federal Social Security Act contemplates several different types of public assistance to citizens in addition to unemployment insurance, old age assistance, and old age benefits.

In New Hampshire we have had a State program for mothers' aid, aid to the blind, assistance to dependent children, and maternal health, for several years. They, with old age assistance, were in effect prior to enactment of the Federal Social Security Act.

I think probably New Hampshire, starting from the time a child was born into the world, the aid given expectant mothers probably has as fully developed a program of rural social security as any State in the Union. I want to talk in this discussion chiefly about the old age assistance and the unemployment insurance part of the National Security Act, and it is my purpose to point out problems and to raise questions. I believe the answers, as contrasted with opinions, must come out of experience. But an important part of experience is exchange of thought and exchange of opinion. Disagreement in discussion, therefore, to the extent that it advances clear thinking and promotes logical conclusions, is a good thing.

We have had a longer experience with old age assistance in New Hampshire than with unemployment com-

pensation. Our old age assistance law was passed several years ago. Its purpose was more humane care and relief for aged persons than our old system of direct relief. It recognized the fact that more and more people were reaching the age of seventy, the eligibility age under our statute, without means for their own support. It recognized also that the old system in existence in this Nation and New Hampshire today was inadequate to care for that type of citizen. I believe New Hampshire first considered the act itself inadequate in some respects, but it was considered to be the best progress that could be made at the time, within the limits of our New Hampshire Constitution. Enactment of that law made it possible for needy aged persons to be supported in their own homes. Its provisions were slightly more generous with respect to cash allowances than the present Social Security Act of the Federal Government.

In 1931 there was no accepted opinion that the counties, cities and towns, under the New Hampshire system whereby both counties and local subdivisions have responsibilities for relief of the needy, would be unable to carry alone the financial burden of caring for the aged.

There was a steady growth in the number of persons granted old age assistance in the early years of the program. During 1931, the first year the law was operative, approximately eight hundred cases were granted assistance. The cost approximated eighty thousand dollars. Two years later, in 1935, the load had reached one thousand five hundred eighty cases and the cost four hundred twelve thousand dollars, or assistance at the rate of twenty-one dollars and sixty-nine cents per case per month.

When we learned of contemplated Federal Social Security action, New Hampshire changed its law to meet provisions of the Federal Act. In December, 1935, New Hampshire submitted its request for approval of its plan. Approval was given and the Federal-State plan went into operation. It provides for county administration with State supervision. The Federal Social Board thus does business directly with the State Government agency.

An interesting development followed in New Hampshire when Federal funds were available for old age assistance. Administrators were swamped with new applications. Many requests reflected misunderstanding in the public mind as to what old age assistance actually is. They thought it was financial aid granted as a matter of right in the form of a pension rather than as aid extended only on the basis of need.

A result of State acceptance of Federal aid in old age assistance has meant to New Hampshire the shouldering of an old age assistance burden greater than ever before.

At present about eight per cent of the persons in New Hampshire seventy years of age or over are recipients of old age assistance. In mentioning seventy years as the age of qualification it should be remembered that the Federal law allows the States until January 1st, 1940 to reduce the qualifying age to sixty-five.

We find there is an ever increasing tendency by children in our State, who are legally liable for the support of their parents, to pass the burden on to the State through the medium of old age assistance. Of course, I think that is bad from many viewpoints, but also it has a certain asset in that it permits the children, and perhaps their children, to lead a fuller life, and an existence perhaps that will provide a better future for their children, in turn, that they could not otherwise provide if they were saddled with the burden, on a very low income, of caring for aged parents.

New Hampshire was the first State in the Union to qualify under the Federal Social Security Act for unemployment insurance. Sometime before the enactment of the Federal Security Act, we appointed a commission in my State to make a study of the unemployment insurance problem, and that committee reported to the Legislature in 1935, and as the result of that report New Hampshire enacted an unemployment insurance law. When the final law was enacted, we were the first State to qualify under the Social Security law, and we have been proceeding and moving forward in a sound way, making excellent progress, and as a basis of our experience we can now visualize our mistakes and somewhat plan changes for the future.

New Hampshire enacted its unemployment compensation law in 1935. Two years earlier the first proposal looking to establishment of reserve against unemployment had been filed in the Legislature. Decision was reached that a more detailed study was needed. A recess commission spent months in hearings and study before recommending the law which was enacted substantially along lines laid down by the commission. It is contingent upon the Federal Social Security Act. If the Federal law fails of constitutionality, the New Hampshire law becomes inoperative.

We have now had almost a full year of experience in the first phase of unemployment insurance—collecting the contributions from the employer and the employee.

In New Hampshire the employees contribute to their own benefit fund. It is believed the cost will come out of the worker in the last analysis through increased costs of living and that it was, therefore, more dignified to give him a direct and personal interest in the plan. The employee contributions also allow New Hampshire to pay somewhat higher benefits to the unemployed than is possible through employer contributions alone. Some State laws require no direct contribution from the worker.

In New Hampshire, as in most States, we accepted the pooled fund type of law as contrasted with the plant reserve type. We believed that unemployment results from the operation of the whole economic system and that however meritorious might be efforts by individual employers to stabilize employment, that the limits were such as to warrant all contributions to one fund from which benefits will be paid to those eligible.

The Federal Social Security Act relied upon the States to take the initiative in developing unemployment compensation plans. Its intent was to remove competitive advantages of employers in States without laws through a uniform Federal pay roll tax.

And I might observe, in passing, that in those States which have no unemployment compensation laws, and therefore draw no Federal grants, the Federal pay roll tax will go into the National Treasury for expenditure for such purposes as Congress may decide.

There can be no doubt of the advantages of using the States as experimental laboratories. Neither can there be any doubt that in unemployment compensation the existence of many State laws, each having elements of difference, is raising a maze of interstate problems.

Picture the problem of the chain store system with units in seventeen States. It may be that the system will have to make reports not alone for unemployment compensation, but on minimum wages under seventeen State plans, and soon on old age pensions as well, to the Federal government. It may have to report pay roll figures to the United States Department of Labor and to seventeen State Departments of Labor for statistical information. In addition it is made a tax collector for the number of State Governments which require employee as well as employer contributions under unemployment compensation. Each of these States may require a different kind of report.

No wonder that already, with unemployment compensation still a youngster, one of the first steps taken by

my State was to seek promotion of uniformity of State law with its neighbors. Soon this promotion of efforts to secure State uniformity had become a regional effort and now embraces the whole group of States with unemployment compensation.

Can employers meet this problem of multiple reporting? If they can, can they finance it? If they can do both, how much will the effort cost the worker indirectly through increased costs of living which will apply to some extent at least to those groups of citizens who are not now and may never be eligible for benefits?

While the Federal law gave the Social Security Board authority to require only a few minimum standards for State laws as a condition of eligibility for Federal grants, the law itself permitted a number of variations. It applies to employers of eight or more. The New Hampshire law applies to employers of four or more. There is already a tendency in my State to promote change in the law to conform to the Federal standard. This would exclude many employers and many workers from contributions and from benefits. Already we hear complaints from the employer of four, five, and six that the employer of one, two, and three has an advantage which reacts unfavorably in competition. There is also discussion of lowering the Federal coverage limit from eight to four and even one.

We can never eliminate the margin until the State and Federal law become all inclusive. But should there be a margin? If so, where should it be? Should the plan apply only to a few employers hiring the greatest percentage of workers? Or should it apply to all? If the latter, can we create administrative machinery which will do the job without piling up a prohibitive administrative expense?

In New Hampshire we have started out on the theory that the State administrative organization shall keep the individual employee account records. There is no doubt that this increases administrative costs. But it should make it vastly easier for the worker to have his benefit claim certified when we come to the benefit paying phase of the plan than to have his record with employers, particularly if the worker's record of employment has been lodged with several employers. Should the State attempt to do all this bookkeeping or should it compel the employer to do it? Is it better to have the cost charged to administration or back to the employer?

Speaking further of the time when we began to make benefit payments on account of unemployment have we

provided, as States, for sufficient coordination of unemployment compensation and other forms of relief? We know that unemployment benefits to the individual worker are limited. What is there after the benefits stop?

Are we prepared in the event of another spiraling downward of employment to immediately measure the rise in unemployment to plan for those other forms of relief which may become necessary?

Have we adequately keyed unemployment compensation to public job-finding agencies?

Reverting for a moment to the matter of pooled funds. Could it not be true that a three per cent reserve in New Hampshire is more than adequate and that such a reserve in a neighbor State would be wholly inadequate to meet unemployment benefit problems? And, if this is true, should New Hampshire contribute to her neighbor?

With respect to the individual, should the several State laws provide for benefits to the worker who becomes unemployed in my State but who has paid his contributions to unemployment compensation directly or through his employer in your State?

I might discuss benefits, their amounts, their relation to earned wages. But, I believe I have accomplished the objective of laying before the Governors some of the problems accruing to the States, some of the problems having a bearing on interstate relations.

We in New Hampshire took a leading part in the effort to promote uniformity in working conditions in industry through interstate compacts. Massachusetts and New Hampshire were the first States in the Union to draw up an interstate compact relative to minimum working conditions and minimum wage conditions in a single industry. That compact related to the relatively simple problem of minimum wage standards. Seeking to advance in other fields we found it rather easy to reach agreement between State delegations on general principles but almost impossible to agree on detail.

We in New Hampshire have experienced constantly increasing pressure on the part of groups of our own creation such as the commission on uniformity of State laws to promote State agreement in many fields of legislation.

And so the greatest problems and the greatest question in social security comes back to the beginning. Will we make progress faster by State or National ac-

tion? If the latter, are the States willing to surrender their authority to the National Government? Is it true that some stronger influence than interstate agreements may have to be brought to bear on States to bring about uniform legislation?

But until these answers are given, it is true that interstate action is the first step toward uniformity of State legislation.

Personally, I believe in Social Security. I believed in it long before Social Security was popular as a National issue, and long before the Social Security Act was enacted by the Federal Government. I believe that we in this country must recognize the changing conditions of today. We gathered here in this room may look back a few years and can see the changes that have occurred. Each day that goes on brings new problems. The efficiency that God gave man, and the ability of mankind, is each day creating more of a problem.

I remember the other day that I received a letter from my mother, from a small Maine town. She said, "Styles, if your Grandfather Fisher had been alive today, he would have been one hundred years old," and she said, "You will be interested in the enclosed clippings." The enclosed clippings were from a little semi-monthly paper published in eastern Maine. They told how this particular Mr. Fisher had bought the first horse-drawn mowing machine of the State of Maine. There was an editorial, and the editorial was along this line—Although Mr. Fisher may be accredited with progressiveness for the purchase of such a machine, it brought a great deal of grief with it because it meant unemployment for thousands of men who depended for a few weeks each year for a part of their livelihood or cash income from the mowing of grass or hay.

That is only a few years back, when it was looked upon as a major problem. Last year in our own State "724" Cigars—you gentlemen who come from the East are familiar with that brand of cigar—had been a going concern for the last seventy-five years, a very profitable concern, employing about sixteen hundred people. Competition with machine-made, such as the "Blackstone," or "J. A.'s" or some other brand, forced them to install machinery and now about two hundred people do the work of the sixteen hundred. They are making better cigars today probably, and doing it much more economically, and are able to compete with cigar factories over the country, but it creates a problem. For years the problem of employment for the colored people in the

South has been hand cotton picking—the picking of cotton by hand. If you read the papers of last week, and the magazines, you know there has been successfully demonstrated, and now patented in the Patent Office at Washington, D. C., a cotton picking machine that it was clearly demonstrated will do the work of eighty-two men, displacing eighty-two native men and women in the picking of cotton by hand. We are moving forward. We are going through a changing period. The compensation that a person receives today, the assurance of further productive life means—will bring about many changed conditions—it means that many people will be unable to store up necessary reserves to care for them in comfort in their old age. It will mean that through no fault of theirs, they must suffer periods of unemployment, and the whole basis of the Social Security Act passed by the Federal Government is correct. It is correct in principle. It is a step forward in the right direction. It is not perfect. I am opposed to certain phases of the Social Security Act, but it certainly is a move forward in the right direction. In general it is correct, and the problem of persons in positions of responsibility today, instead of trying to destroy it, should be to try to work in a cooperative way to correct the mistakes, perfect the machinery, and move forward to a common objective in this country, which is reasonable living conditions and security at all times for ourselves and our families, whether it is in the productive part of our life or in the part of our life when we are unable perhaps to care for ourselves.

I think it is a very worthwhile subject for us to discuss today, and I believe that the States particularly that have not enacted the legislation to meet the Social Security Act perhaps may gain something from such discussion. If there are any questions, or anything further that I can offer, I will be very glad to do so.

CHAIRMAN GOVERNOR McNUTT: I think it would be well for you to stay on the platform. We are indebted both to Mr. Miles and Governor Bridges for their discussions. I know that many of the matters which Governor Bridges has stated have been going through the minds of all of us who have had to do with Social Security in its various phases. I know likewise there are several questions you might want to ask, and I think it will be helpful to all of us if we more or less turn the remainder of this session into an open forum. Therefore, if you have questions, will you kindly state them, so that this discussion may start.



GOVERNOR NICE: Governor McNutt, I want to ask Mr. Miles a question that has arisen since I have arrived in St. Louis. I have been advised by my office that we have received a telegram from Washington which tells us that unless we do enact social security laws in Maryland prior to December 31st, we will be prohibited from participating in the Government scheme. Now, that does entail a considerable burden upon Maryland. The financial situation there is good, but I do not want to do anything that might impair it in any way, and the calling of a special session is a serious matter, from the standpoint of expense, and in view of the fact my Legislature meets the first week in January, I was wondering if the Government would press that point, and not permit us to carry over into the general session of the Legislature. There is no question in my mind but what Maryland is for social security. I don't think that is a question we could hesitate at, at all. I think everybody realizes the necessity of social security. I, like Governor Bridges, find some reason for finding fault with the present Act, not in any major detail, but in minor details that I am sure will be corrected by the coming Congress, but the thing that is disturbing me, and has been disturbing me since I received that message, is as to whether or not Maryland will be obliged to go into a special session, entailing all of that extra expense, when we have a session beginning the first week in January. Can you give me any light on this? I am in a rather large company. According to your statement, only fifteen States have already complied.

MR. MILES: I can tell you one thing, Governor; no member of the Social Security Board, nor any employee, without violating orders, has ever told any State they would lose a certain amount of money unless they passed an unemployment act, an unemployment compensation act. That has not been the attitude of the Social Security Board. The exact situation is this, the pay roll act is not an unemployment compensation act. The pay roll act as now drawn provides there will be a uniform pay roll tax, as Governor Bridges stated, uniform over the United States, which goes into the general funds of the United States. The question of unemployment compensation comes into it as he says, and that is as a credit upon State taxes, somewhat similar to the credit upon State inheritance taxes, so whenever the State does pass an act, the taxpayers get credit to ninety per cent of their Federal taxes upon their State taxes, and the remaining ten per cent, in some instances more, is granted by the Social Security Board to the State to pay all of the costs of the administration of the unemployment compensation

act in the State. Now, that is the situation. In addition to that, the pay roll tax is a tax due for this calendar year. It is due on the 31st of December at midnight, so that unless the State has an unemployment compensation act upon which the taxpayers in that State can pay a tax, there is no State tax upon which the Federal tax can be credited, and under the present situation, as the result of the things I have stated, unless the State has an unemployment compensation act, there is no State tax upon which the Federal tax can be credited, and the tax from that State will go into the general treasury of the United States. That is true under the present act of Congress, unless it is amended.

GOVERNOR NICE: Do you mean, then, that the unemployment compensation portion of the tax during this calendar year, we not having enacted the law in accordance with the law of the Federal Government, that that tax will go into the general fund of the Federal Government and we will lose it?

MR. MILES: You will lose the credit. It will go into the Federal Government fund, and such proportions as are spent for interior improvement that will be done in your State, will come out of the general fund. It will be similar to any other fund of the Federal Government. It is not earmarked.

GOVERNOR WHITE: He would lose it for 1936, is that correct?

MR. MILES: Yes, in other words, by losing it you would have no opportunity to build up a reserve to pay unemployment benefits for the State of Maryland.

GOVERNOR NICE: That is for 1937?

MR. MILES: For 1936.

GOVERNOR SHOLTZ: May I ask this question. My State had its regular session a year ago in April, at the time at which Congress was in session. We have no other regular session until this coming April, at which time I am well convinced our Legislature will endeavor to comply with the law. Now this arbitrarily forces—and I have not understood it was contemplated that the State Legislatures or States were to be arbitrarily forced, but it almost comes into that category—in order to comply with a law that was passed subsequent to a regular session of the State Legislature, that in order to comply with the law, the State would be forced—and that is what it actually is—would be caused to call a special session. Now, I don't believe it was ever the intention of the Federal Government or the Congress to force a State

to do that. I am just wondering whether or not the attitude of the Social Security Board, which has shown a very fine cooperative spirit, and I, for one, want to thank you for the kind spirit you have shown toward my State—whether the attitude of your Board would be to recommend to the Congress, in view of the situation that is co-existent with thirty-three States in the same condition, whether or not the recommendation would not be made that they be given time to pass such legislation at their regular sessions, and the Act might be retroactive for the year 1936. That is a rather blunt question, but I am putting it right to you.

CHAIRMAN GOVERNOR McNUTT: The Board has no power. The Act itself provides that.

GOVERNOR SHOLTZ: The Board can recommend, and we have got two senators-elect in this group now, and of course the attitude of the Congress will depend largely upon what the Board recommends.

MR. MILES: I don't know whether I thoroughly agree with you or not, because the Board recommended several acts to the last Congress, and they didn't do anything about it—but what I was going to say, your question is a burning one now, and I will be very glad to answer it:

We have a situation here where there is a great deal of equity on the part of the States. Just as the Governor stated, Congress did not pass the Act in the early days of 1935. As I said a moment ago, it was held up for days and threshed over until late in the year. Most of the State Legislatures meet in the uneven years. I think only six or eight States have their meetings in the even years, so that practically all of the Legislatures met in 1935, and will meet again in 1937. Therefore, after the Legislatures had adjourned in 1935, there would be no regular session until 1937. Now, that is the situation. I agree with you, there is no desire on the part of anybody in Congress, and certainly of no administrator in connection with the Social Security Board, to attempt to coerce a sovereign State into doing anything. If they did attempt it, it would not be successful; but it is a situation that has developed due to the delay in the passage of this Act in 1935, to this extent—that Congress has not passed any form of unemployment compensation act; it has simply levied a pay roll tax, with a credit when States do pass the Act. Now, then, any effort on the part of Congress to earmark this tax, or to hold it in trust, requires the Congress to pass a National unemployment insurance act, because the tax is then set aside for un-

employment compensation. The question then is: Shall the Congress jeopardize the whole system, in justice to the States who have already passed it, by changing it from a tax act into an unemployment compensation act, with the chances of its unconstitutionality. That is a very difficult problem to answer.

GOVERNOR SHOLTZ: Couldn't that be handled by an extension of time in the Act? You take, with us, we have made every effort to comply with the law. Under our Constitution it was impossible for our State to comply with some of the features of the Social Security Act, and when in the last two weeks the people of my State by an overwhelming vote adopted a Constitutional amendment which made it possible for us to comply legally with the provisions of the Social Security Act, now should we be arbitrarily forced to spend a couple hundred thousand dollars to call the Legislature into special session, when it meets in a few months—that is a rather unfair imposition upon thirty-three of the States, and, of course, as a matter of fact, with all due respect to our people and our taxpayers, you know that every day Congress is in session, or the Legislature is in session, there is a considerable amount of uneasiness among business interests, because they don't know what the new tax program will be, or what it will bring about, and you call a special session, and immediately the business interests become uneasy. At the same time, I think it is decidedly unfair to place a State, and one where they have got the budget in good shape, so that they are in splendid financial shape, and they are now largely all over the country, mostly due to Federal cooperation, but now having gotten our States into sound financial condition, to arbitrarily force us to expend several hundred thousand dollars in State after State means somewhat of an imposition, and I think rather an unfair imposition. I am very hopeful that the next session of the Congress—perhaps you might not want the passage of that unemployment insurance act—but at least that portion of the act that sets the act as of December 31st arbitrarily, may be extended until June 1st, or at least take into consideration the majority of the sessions of the Legislatures which, in most instances, will be held between January and July.

MR. MILES: I think it narrows itself down to the proposition of working out some plan of equitably doing the thing without getting the United States Government definitely into the position, by acts of Congress, of taxing the people of the States for funds that are earmarked for unemployment compensation.

GOVERNOR NICE: I think you put your finger on the pulse when you made the statement that at that time Congress had not enacted this social legislation, and the States, rather than do anything in opposition to it, were hesitating about passing any law without being able to pass such a law as would be in harmony with the Federal law when passed. That was precisely the situation with us. Our Legislature was not antagonistic at all to the Social Security law, but was hesitant about passing any law, and finding after we had passed it that the enactment of the Federal Congress would not jibe in with what we had done, and that is why we delayed.

Now, we are within six weeks of a session of our Legislature, and it seems to me it is not a matter of fairness at all to these thirty-three States, to impose upon them the hardship of losing what they have paid in for their employees during 1936, with only the alternative of calling a special session, with all of its attendant expense, so I think that the Social Security Board should endeavor to work out some plan by which it could extend the date line from the 31st of December to some other time next year, which would give us a chance to breathe and understand our position.

MR. MILES: You could not impound the money without doing that which you stated the Social Security law never contemplated. Here is exactly the situation the Social Security Board is in. Here is Governor Bridges, whose State has passed the necessary enactment—

CHAIRMAN GOVERNOR McNUTT: Here is the State of Louisiana, that has amended its Constitution by vote of the people, called a special session and passed an act. That is the trouble some of the States have gone to. It is an effort, as you say, it works a hardship, because I know that the taxpayers of a State—I know how they feel about Governors that call special sessions, but we have this situation, that the Social Security Board had to work out, and work out fairly, without jeopardizing the constitutionality of the Act, and not create a situation such that these States that have amended their Constitution and called special sessions of their Legislatures, will lose the benefit of it.

GOVERNOR NICE: That was the point Governor Sholtz made, and all he wants done is to set forward this date or dead line for participation in the special fund, so that the thirty-three States that have already paid in for the year 1936, these funds may be available to them from the time they enact the legislation. That does not affect the other States at all.

MR. MILES: There are many suggestions—

GOVERNOR NICE: (interrupting) I would not want to run in competition with Governor Bridges. I am the only Republican here.

CHAIRMAN GOVERNOR McNUTT: May I interject a statement, because Governor Bridges and I had both to make the decision as to whether or not there would be a special session, had to take the chance, and we did—is there any reason why States that have not set up the machinery should have any return without payment for services they have not rendered? I should think not.

GOVERNOR NICE: We have been taxed.

CHAIRMAN GOVERNOR McNUTT: That doesn't make any difference. You have not done anything.

GOVERNOR PEERY: How do your States suffer if this time is extended? The State that collects this pay roll tax, they do not take anything from you. It is simply extending the time within which the States that have not yet come within the law may get the benefit.

CHAIRMAN GOVERNOR McNUTT: But, after all, this money, Governor, comes back to the State for the administration of the Act we have passed. We are doing the work, the machinery is set up, and it is costing us money.

GOVERNOR PARK: But you do not get any of the money Missouri pays in, or Virginia pays in.

GOVERNOR NICE: And it is costing us that money, too.

CHAIRMAN GOVERNOR McNUTT: But you are getting back something to accomplish a purpose toward which you have not been working.

GOVERNOR NICE: Yes, but we will get back something to permit us to accomplish the same thing that you do, with the money that you get.

CHAIRMAN GOVERNOR McNUTT: Nevertheless, you will not have expended the money meanwhile—in other words, you are getting a bonus for not doing what we took the chance and did.

GOVERNOR SHOLTZ: Governor McNutt, I wish to take issue with you. In the first place, you get your ninety per cent.

CHAIRMAN GOVERNOR McNUTT: That is right.

GOVERNOR SHOLTZ: All we ask is that the money we pay in be impounded so we can set up that reserve fund and pay back as occasion arises; we want it retro-active for everybody, and we do not want to be black-jacked into calling a special session. I do not mean to be misinterpreted in my remark, but that is substantially what it means. I do not think I should be arbitrarily forced, in the last six weeks of my administration, to call a special session, when we have a regular session in just a few months. Your State is not penalized, nor do you lose anything by it.

CHAIRMAN GOVERNOR McNUTT: Why?

GOVERNOR SHOLTZ: Because this money we pay in goes into the general treasury. It does not go to you, in any sense of the word. You do not gain anything by it. You get back your ninety per cent. Why do you begrudge the other States the opportunity to get back the ninety per cent?

CHAIRMAN GOVERNOR McNUTT: Let them have the ninety per cent, if they perform the duty for which the credit is made.

GOVERNOR SHOLTZ: But the law was passed after our regular session had adjourned.

CHAIRMAN GOVERNOR McNUTT: The same thing applies to us, of course.

GOVERNOR SHOLTZ: There is an honest difference of opinion in it, and we do not feel, and there are thirty odd Governors who feel like, in deference to their taxpayers, they should not be forced to call that sort of a session.

GOVERNOR NICE: If you gentlemen of the fifteen States were going to get the money that we thirty-three odd States paid in, then I could understand you—not individually, but I am talking about State administration—I could understand how desirable that would be, but you don't profit a thing, and we simply suffer, and I know you do not want that.

CHAIRMAN GOVERNOR McNUTT: We have never intentionally profited at the expense of another State.

GOVERNOR NICE: No, you have probably profited at the expense of the Republican Party.

GOVERNOR WINSHIP: I should like to ask the same question that has already been asked, but I have only one question to ask. We are placed in a peculiar position in Puerto Rico. We are placed in the position of having to

ask to be let in under the Social Security Act, and we did that probably a year ago. The Congress, on the other hand, never passed an act extending the provisions of that Act to Puerto Rico, and, of course, we have never been able to explain why that was done. We asked, to begin with, that we be allowed to participate in part of it. We thought, to begin with, we might not be able to participate in the old age pension, and in the unemployment, or only partially, but we do want to participate in the balance of the benefits conveyed by that Act. We are already participating to the extent of something like four hundred thousand dollars for the purpose of taking care of a great number of unfortunate people there. We have splendid insane asylums, in which we handle a great number of people. We have places for dependent children, for orphaned children. We spend a great deal of money on that. We spend a great deal of money on tuberculosis, and all of that. We are covering all of those fields, and we ask to come in, and we do not understand why the benefits of the Act do not extend to Puerto Rico.

We have one million and eight hundred thousand people down there, who are struggling all the time to do the things imposed upon the State to do. I think, from a business administration standpoint, things have been carried out awfully well. We have balanced our budget, not only the regular budget, but all of the supplemental budgets we have got, and we have in our treasury two million dollars. We have a Workmen's Compensation Act, a state wide act that took the place of another act. We have self insurance, that is, the insurance provided by insurance companies, and then there was left to the State just the flotsam and jetsam of the balance. We have covered all that, and we have a state wide Workmen's Compensation Act which passes benefits to the poor and to the laborer, as well as any of these other acts, and it works. Every workman there—anybody who employs more than three workmen in agriculture, industry, or anything else, has to insure them under the Workmen's Compensation Act. There was a great resistance, of course, by the big-moneyed interests, the sugar cane people, and the industries, but they have fallen in step with it and are perfectly satisfied with it at the present time. Of course, the insurance companies are not, because they were driven out of the insurance business.

Now, we are working on all of these different problems of that sort, and yet when you come to the Social Security Act, which is supposed to carry benefits to the



people, Puerto Rico is deprived of the benefits of having that Act carried to it. We can be brought up to a certain point, just as other States are going to be, and we are ready to pass the Act in our Legislature, to cover this, but Congress, for some reason that nobody can discover, withheld these benefits from Puerto Rico and from the other territories, and I don't know why.

It was my intention when I came here today, to ask you gentlemen to study this thing over, and adopt some recommendation in reference to that. If it is not out of place, I wonder if the Conference of Governors would not ask Congress to extend to Puerto Rico the benefits of this Act. I don't see why we should be placed on any other footing except that of the different States.

MR. MILES: I can answer as to the reason the Board is taking no action, and I hope you Governors will not think we are passing the buck, because we gave a lot of thought to it at the last Congress.

The Congress did not call on the Social Security Board for any advice on this question. It came before the Board, I think, at your request. We discussed it upon two or three different Board meetings, and reached this conclusion, which I think is correct, that the Congress had passed the Social Security Act, it had prescribed the limits to which it should apply, the United States, Alaska, and Hawaii, it provided certain functions for the Social Security Board to perform under that Act, in that territory; that was to settle the whole question of Social Security, and make recommendations to Congress as to changes. We reached the conclusion that any effort on our part to go to the Congress of the United States and tell them to enlarge our territory, the physical territory, would be presumptive on our part, and not within the terms of the act; that the question as to territory, which should be included in the Act for our jurisdiction, was one solely for the Congress, so we took the position we would make no recommendations either for or against.

GOVERNOR WINSHIP: Don't you think you could revise that judgment now, after having found what has happened?

MR. MILES: I would say that anybody who could not change his mind is a fool.

GOVERNOR WINSHIP: We are not one of those you are complaining of as not asking to come in. We have asked to come in, and have been deprived of the right to come in.

CHAIRMAN GOVERNOR McNUTT: As I understand, Mr. Miles does not mean that if the question were asked the Board if they would not say Puerto Rico should come in—

MR. MILES: No, the attitude we took was, that owing to the fact that Congress had delineated the limits of our authority, that we should not initiate an effort to have the limits enlarged, but leave that question to Congress, and naturally we would answer any question Congress would ask.

GOVERNOR WINSHIP: That is not answering that question, because it should have been asked before, and I should like to ask the Conference of Governors if they think it is a very fair thing, under the circumstances, to deprive this territory, which is of the size or more than the size of a great many of the States, of a benefit that was intended for the needy and poor, for all of these people who are not here, for all of the country. We are ready to do it. Why should we be deprived of it?

GOVERNOR NICE: Why are you deprived of it?

GOVERNOR WINSHIP: I don't think there is any reason, only one, and peculiarly enough, it is a proposition that I stayed up with all of the time and urged upon everyone, and showed what we spent, but they determined over there, they thought that we might not be able to do it, that was practically the whole answer. But, we are able to do it, want to do it, and are asking to do it. Against this, you have the complaints of others here that they don't want to do it.

GOVERNOR GREEN: I would like to ask a question a little different, if that matter is concluded.

We have an unemployment compensation act in Rhode Island—in fact, we passed all of the necessary legislation to take advantage of the Federal Security Act, and all other Federal acts of the kind. I might say that it has been the result of numerous special sessions. In fact, the general assembly during my two terms of office has been in general or special sessions most of the time—and we have balanced our budget. The question is this:

The Unemployment Compensation Act on the Rhode Island books provides that not only employer but employee shall contribute. Of how many States is that true?

MR. MILES: I haven't looked it up since the last two States have come in, but I think there are four States that require employee contribution.

GOVERNOR GREEN: Require what?

MR. MILES: Employee contribution. The attitude of the Social Security Board is that we should never at any time attempt to advise the people or the Governors of any States what they should do with reference to those things, within the minimum requirements. We are there to supply you with technical advice, but we have never attempted to, and I do not think we shall attempt to take any stand on it. Of eight States that adopted unemployment compensation, four had employee contribution, and four did not. Four had the reserve type, and four the pooled type. Since that time I think they have all had the pooled type of reserve. None of the others have adopted employee contribution.

GOVERNOR PEERY: Where employee contribution is put on a fifty-fifty basis?

MR. MILES: No, some of the States have it a little less. The theory is that employees, when they contribute, make the reserve larger for a shorter earning period, and provide for a longer period of benefits.

CHAIRMAN GOVERNOR McNUTT: In our State, considering that problem, the representatives of labor were for contribution, in order to hurry the benefits.

GOVERNOR BRIDGES: That is true in New Hampshire.

GOVERNOR GREEN: That is true in Rhode Island. The proportion there is one-third by employee and two-thirds by employer.

GOVERNOR PEERY: Has the American Federation of Labor ever taken any position on that?

MR. MILES: Not as such.

GOVERNOR PEERY: There is a difference of opinion?

MR. MILES: Yes, but practically unanimity of opinion, as we put them on it.

GOVERNOR PARK: Is there any constitutional or legal reason why Congress could not say that the provisions of this Act shall apply after, for instance, August 1st?

CHAIRMAN GOVERNOR McNUTT: I think not, Governor.

GOVERNOR PARK: Couldn't the Act be amended?

MR. MILES: That is the very proposition that I attempted to explain a moment ago. The Act of Congress, now, the Social Security Act as it applied to unemployment compensation, is not an unemployment compensation act, and the tax is not levied for non-employment compensation. It is levied as an excise tax for the general purposes of the Government. Now, any action by Congress to identify that as a tax for unemployment compensation, might cause the Act to be declared unconstitutional, because there is no power in Congress to set up an unemployment compensation act.

CHAIRMAN GOVERNOR McNUTT: That still does not get back to his fundamental legal question involved here. Could the Congress advance the date?

GOVERNOR PARK: They could fix the date in which the State must take advantage of this, and that was not unconstitutional. Couldn't that Act be amended by advancing the date?

MR. MILES: If it could be worked out so as not to make it clear that it is purely earmarking this tax for unemployment compensation.

GOVERNOR PARK: Well, couldn't it be paid out of the general funds?

MR. MILES: I don't know. Doesn't your fiscal year end on December 31st? There is where your difficulty is.

GOVERNOR PEERY: I would like to ask Governor Bridges a question. He mentioned old age pensions. I believe you stated since the number—since your law went into effect, the number increased from eight hundred to eighteen hundred. What is the number of applications now, under your law, for old age pensions?

GOVERNOR BRIDGES: I don't know as I can tell you exactly. The figure I gave you of eighteen hundred and some, is not the total. I think that was the total of 1934 or 1935. I suggested that as an example to show the increase in three or four years. The total now is somewhere in the proximity of three thousand, and the applications are coming in very rapidly, and in many instances the applications are from people who have some little amount of money left, or an equity in some property, or something of that kind. Under our New Hampshire law, which, if we pay a claim for old age assistance, the State has a legal claim against any equity in any property they may have—when they finally find that out, why many times they withdraw or try to amend the application. Cost of investigation is going on, and going on very rapidly.

GOVERNOR PEERY: Would you be willing to hazard an estimate as to the number that will be eligible, under your law, when all of the applications are passed on?

GOVERNOR BRIDGES: I do not think I could give it to you.

CHAIRMAN GOVERNOR McNUTT: I can.

GOVERNOR BRIDGES: What is your population?

CHAIRMAN GOVERNOR McNUTT: About thirty-two thousand at seventy, and, I think, sixty thousand at sixty-five.

GOVERNOR PEERY: What was the population?

CHAIRMAN GOVERNOR McNUTT: Three million, two.

GOVERNOR PARK: We have eighty-five thousand; three million and seven.

GOVERNOR PEERY: You say eighty-five thousand, with a population of less than four million?

GOVERNOR PARK: Yes.

CHAIRMAN GOVERNOR McNUTT: Sixty-five age limit, Governor Park?

GOVERNOR PARK: No, age seventy, limit.

CHAIRMAN GOVERNOR McNUTT: Seventy, age limit, thirty-two thousand with us; and estimating, sixty thousand, at sixty-five.

GOVERNOR NICE: That would be correct in industrial States, but would it be, in agricultural States, too?

CHAIRMAN GOVERNOR McNUTT: I think we are both.

GOVERNOR NICE: I am in a State that is firmly industrial.

GOVERNOR PEERY: What is the amount of your pension now?

CHAIRMAN GOVERNOR McNUTT: It will average around twenty. We have averaged our State upon a twenty dollar basis.

GOVERNOR PETERSEN: Governor McNutt, I am still pondering over that question of a special session of the Legislature in December, if it is necessary. Now, it is an easy matter for Governor Green to call a special

session of the Legislature when it takes but fifteen minutes to cross the State, but when a State is five or six hundred miles north and south, and three hundred miles east and west, it is not so easy to call a special session of the Legislature. However, I might state that in Minnesota we had a special session of our Legislature last December and January, and we agreed on the old age assistance but did not agree on unemployment insurance, and wanted to learn more from other States that were passing such bills, and so it seems to me we are very concerned about getting the benefits that we have been taxed for in the year 1936, and that question is not clear in my mind yet. If it can be legally extended by Congress for three or four or five or six months, so we may derive that benefit, as well as thirty-three other States, I am sure that I can vouch for the nine congressmen of the State of Minnesota, that if it can be legally extended, we could count on the votes of the nine congressmen from Minnesota.

GOVERNOR PEERY: You have got a couple senators, too.

GOVERNOR PETERSEN: Yes, and two senators, also. There will be eleven votes from Minnesota, and I am sure they won't want to lose what the employees and employers of our State have put in, but it seems to me that it is only fair and reasonable, and that question has not as yet been answered, as to whether or not it can be legally extended.

CHAIRMAN GOVERNOR McNUTT: I don't suppose anyone can answer the question, aside from the Supreme Court of the United States, as to whether or not it can be extended.

GOVERNOR SHOLTZ: As a matter of fact, isn't the most of this in litigation in many of the States now? For instance, I know the question is now in some of the Federal Courts.

CHAIRMAN GOVERNOR McNUTT: That is right.

GOVERNOR SHOLTZ: And I want Mr. Miles to give me a copy of the Act, so I can take it back home and study it out before the next session.

CHAIRMAN GOVERNOR McNUTT: You could have had it last February.

GOVERNOR SHOLTZ: No, we didn't want that information then. We didn't know as to its constitutionality.

CHAIRMAN GOVERNOR McNUTT: You won't know when your session meets in April.

GOVERNOR SHOLTZ: Then, we are just gambling on this.

CHAIRMAN GOVERNOR McNUTT: Aren't we all, and haven't we been, for some years?

GOVERNOR SHOLTZ: I do not want to call a special session to enact legislation that is unquestionably going to be in the Congress for sometime. Isn't it the sensible thing and the sound thing to have the question determined, and then go along in the orderly manner and pass legislation that is sound and will stand the acid test. I think there are a few of us here, and we will have enough influence with our congressmen and senators to see that we are not unjustly penalized.

CHAIRMAN GOVERNOR McNUTT: It will not be the effort of anybody to make any unjust penalties against anyone. I think first of all you do have a constitutional question involved, and I wonder, of course, whether or not any legislative body would be inclined to give to a State money to compensate it for doing something it has not done. You put the rest of us in a rather uncomfortable position. What would we say to our people when they say to us, "Why didn't you wait? Then you would have had all of this money you have expended in setting up your system," and we are in operation in every one of the ninety-two counties now.

GOVERNOR SHOLTZ: And you may be illegally in operation. It takes only the request of the attorney general of your State to the Supreme Court to expedite a decision upon a matter of this sort. I know I would be glad to have the attorney general of my State request the Supreme Court of my State to expedite a case of this magnitude. You have thirty-three States. Are you going to make them spend about a million dollars to find out something that we don't know yet whether it is constitutional or not?

I think the Social Security Board is doing a great job, but I don't believe for a matter of sixty, ninety, or one hundred twenty days, that thirty-three States of the Union should be penalized.

CHAIRMAN GOVERNOR McNUTT: What is or what is not constitutional is, after all, the opinion of nine men.

GOVERNOR HOFFMAN: Governor McNutt, about ten days ago I addressed a telegram to the President, ask-

ing if there was any likelihood for an extension recommendation, or recommendation of the Social Security Board for an extension. Up to the time I left, I had not had a reply to that telegram, but I understand indirectly that it had been referred to the Social Security Board. Now, I think in some of the States we have a situation in regard to unemployment insurance that is entirely different from that which confronts some of the other States. In your State you said there was a unanimity of opinion between the employee, employer, and other interested parties. In my State there was great conflict of opinion and we did in our session on this matter what seemed to me to be a sound and scientific thing; we set up a commission to study the various forms of unemployment insurance. That commission has been very active all during the summer, and have had hearings at various places that have been suggested, and are still conducting those hearings.

Then I have, too, a situation, and I don't know just how many States would find themselves in the same position. The existing Legislature in New Jersey has not been altogether friendly to unemployment insurance; that is, they were not up to November 3rd, and should I call a special session now, I will have a Legislature comprised chiefly of lame ducks, and there is a question there as to whether we should throw this question, which certainly is an important one in an industrial State such as New Jersey, into the hands of a Legislature composed of men who on January 1st will go out of office, or whether or not we should not have this extension of time, so that we may get this important matter of Social Security before the new legislative set-up—one that will conform to the Federal requirements. I don't know how many States are in a similar situation.

MR. MILES: I want the Governors' Conference to get explicitly and exactly the attitude of the Social Security Board. The Social Security Board members have discussed this question repeatedly. We realize the situation is different in nearly every State. For instance, there are some States that have had special sessions and did not pass it; there are some States, like Governor Peery's State and Governor Sholtz's State, that have not had special sessions. There will be no conflict, no partisanship, and no argument or misunderstanding, or any personal feeling on anybody's side in connection with this whole question. If some formula can be worked out so those States that did not pass acts in 1936 can secure this tax without striking down the system and destroying it in the States that have passed it, it will be worked out, but if it



cannot be done, I don't think it should be. Now, that is a thing to be worked out.

GOVERNOR PEERY: I would like to call attention to this particular situation that confronts me. In Virginia we had a session of the general assembly, and in my message to the general assembly I recommended the passage of an unemployment insurance bill, and when they came to a vote it passed with an amendment, in the Senate, and failed of passage in the House. Now, the personnel in my Legislature is the same as it was when they acted upon it, with only one or two exceptions—men who have resigned or died—but if a special session is called now, we will have the same membership substantially.

We have another provision in Virginia that a law does not become effective until ninety days after adjournment of the session at which the law is passed, and to make it effective from the date of the signing by the Governor, it would have to be made an emergency measure. To pass an emergency measure would require a four-fifths vote, so I would have a very uncertain situation confronting me if I were to call a special session of the general assembly.

CHAIRMAN GOVERNOR McNUTT: That was the very reason for formulating that law in its original form, knowing that if we were to depend upon unanimity of action on the part of the States, that we were asking for the millennium.

GOVERNOR PEERY: We do not feel we are asking for anything unreasonable, in asking for an extension of the time within which this fund may be saved to the States. The Federal Government is collecting it. It has not been collected by the States, and it goes into the general fund of the treasury. You do not consider objecting to allowing us to get that credit, by that extension of time? I don't believe you do, and we feel that it would not be—

CHAIRMAN GOVERNOR McNUTT: (interrupting) If I were doing it, what you would get back would be the simple request for what you are actually spending anyhow. I don't think there is going to be any unfairness. Certainly there would be no objection among the States who have gone through with it, providing it casts no reflection upon what we are doing.

GOVERNOR COCHRAN: We had a special session a year ago, at which time we passed all of the necessary legislation to take advantage of the Social Security law,

except the unemployment feature. There was a disagreement in the Legislature, such as Governor Peery speaks of, and that was not passed. We likewise have a situation now, similar to the one he described; it is necessary, in order to pass an emergency measure, to have a two-thirds vote; without being able to get a majority vote a year ago among the same personnel, the Act would not become effective until ninety days after its passage, so obviously it could be said that if we had a special session, we would not gain any benefit from it, but it seems to me that if this can be legally and constitutionally extended, that it should be done, and I think, further, that this Conference should go on record in favor of such action.

GOVERNOR NICE: I second that motion.

CHAIRMAN GOVERNOR McNUTT: There is a ruling against the Conference resolving on controversial matters.

MR. MILES: Mr. Chairman, I don't believe this is a controversial matter.

GOVERNOR SHOLTZ: I rise to a point of information. I still feel in this country we believe in majority rule, and under your interpretation, one-third of the States, or less than one-third, are trying to tell the other two-thirds where to head in.

GOVERNOR NICE: Didn't we pass a resolution a year ago?

CHAIRMAN GOVERNOR McNUTT: At Biloxi.

GOVERNOR NICE: On the same subject?

CHAIRMAN GOVERNOR McNUTT: The same question was raised there.

GOVERNOR NICE: Didn't we pass a resolution of some kind? I might have been busy and when I got back I heard a resolution had been passed.

GOVERNOR PEERY: I think we were both present when it was passed.

GOVERNOR NICE: So much better for the Governors' Conference.

GOVERNOR HOFFMAN: I have been advised that if I call a special session in New Jersey, one of the bills to be introduced is to provide an appropriation of twenty-five thousand dollars to attack the constitutionality of the Federal Act, and in the present set-up of the Legisla-

ture it is very likely to be the form of action that would be taken upon this thing. It seems to me both logical and practical, if an extension could be given to them, and put the problem up to the Legislature, the majority of the members of which would have gone on record in support of the present social program, and I would like to urge that as a matter of fairness, I think we will get better action out of that. I would like to know if there are any other States where they have that same situation?

GOVERNOR WHITE: In Mississippi the constitutionality of the Act has been attacked. We have had a special session of the Legislature, amended the Act, and we are fixing to have another session to further amend the Act.

CHAIRMAN GOVERNOR McNUTT: Our time of adjournment is passed. May I suggest, if you want to adopt a resolution—

MR. MILES: Will that be in order?

CHAIRMAN GOVERNOR McNUTT: It will be in order at any session.

GOVERNOR PEERY: Can we take that up tomorrow?

GOVERNOR PARK: I suggest, Mr. Chairman, that we have a round-table discussion on the train tomorrow, going up to Jefferson City. We will have about two hours for a session on the train. It will be a private train, nobody else on the train except us.

CHAIRMAN GOVERNOR McNUTT: Any other questions? If not, I wish to announce the appointment of the following committees:

Resolutions Committee: To be Chairman, Governor Green of Rhode Island; Governor Peery of Virginia, Governor Petersen of Minnesota, Governor White of Mississippi.

To audit the accounts of the treasurer of the Governors' Conference: Governor Cochran of Nebraska, Chairman, Governor Hoffman of New Jersey, Governor McAlister of Tennessee.

GOVERNOR PEERY: Before we adjourn today, I would like to move a rising vote of thanks to Mr. Miles and Governor Bridges for the splendid addresses they made.

(This motion was seconded by half a dozen unidentified members of the Conference, put to a vote by Chairman Governor McNutt, and unanimously carried.)

CHAIRMAN GOVERNOR McNUTT: Secretary Hardee has an announcement.

SECRETARY HARDEE: I want all of the Governors to assemble up here, please. You have to have your pictures taken, and I have held the photographers here for quite awhile. Now, come up here, and let's get this over.

A D J O U R N M E N T

**GOLD ROOM  
JEFFERSON HOTEL**

**St. Louis, Missouri,  
November 16th, 1936.**

**CHAIRMAN SIDNEY MAESTRE:** Honored guests, ladies and gentlemen:

The Chamber of Commerce is unusually honored this evening. I do not believe that ever in our history have we had so many distinguished guests under one roof. These are unusual times; grave social and economic questions confront the country. Our Federal Government has increased responsibilities and obligations, and by the same token our States have assumed greater responsibilities and obligations, and so these Governors have met here today, and they will go elsewhere in Missouri tomorrow, to endeavor to discuss and solve some of these problems that are before us.

We hope and trust that out of their deliberations will come wise and sound legislation that is of benefit to all of the people.

I never thought that it would be my privilege to have fourteen Governors and three Governors-elect to sit down and listen to me, so I am unusually honored tonight. However, Mr. Dysart warned me that if I spoke beyond one minute, that some of the Governors would not listen, so I have about ten seconds left, and I am going to make the most of it.

It is now my privilege and my pleasure to introduce to you—I don't believe he needs an introduction—let me present him, the Governor of the State of Missouri, our Governor, Honorable Guy B. Park.

**GOVERNOR PARK:** Before undertaking the pleasant task assigned to me, and that is the introduction of the toastmaster of the evening, I want to express to the members of the Chamber of Commerce of St. Louis my sincere appreciation of the fine hospitality and entertainment they have extended to the visiting Governors here tonight, and I know I express what is in the mind of each of the distinguished guests when I say that we have never had better entertainment and never have had a more enjoyable time.

The toastmaster of the evening, the Chairman of the Conference of Governors, the retiring Governor of the great State of Indiana, such an acceptable Governor that

he was permitted by the people of that State to choose his successor for that great office; I know of no man in the United States whom it is my pleasure to have met, with broader vision, greater initiative and finer intelligence than my personal friend, the retiring Governor of the State of Indiana.

He is a lawyer of great ability, he was dean of the Law School of the University of Indiana, he is a Legionnaire, known and loved by his companions, and has occupied the position of National Commander of the American Legion. His record as Governor is unsurpassed, but I think that he excels all of these things in his fine personal qualities, a genuine friend, a fine companion, an affable gentleman, and one of the most delightful after dinner speakers it has been my pleasure to know. I take pleasure in introducing to you Paul McNutt of Indiana.

CHAIRMAN GOVERNOR McNUTT: Thank you, Governor Park, members and guests of the Governors' Conference, members and guests of the St. Louis Chamber of Commerce.

First of all, I am overcome by the generosity of the introduction. After all, this is about the end of the trail. Kind words are really very acceptable, after four years of turmoil.

May I express first of all to the citizens of St. Louis our deep appreciation of your generous hospitality, may I say, your characteristic hospitality. We have had a very happy and a very profitable day among you, and have by reason of this day been enabled to give to our own people a greater measure of satisfaction. It may be that we have taken from you an inspiration which we can pass on to our own.

We do have a distinguished gathering here this evening. Fourteen Governors, three Governors-elect, all of them accustomed to speaking for their dinners.

I understand the State of Missouri will relieve the guests from that obligation in every community, but it does not mean that they will escape some payment for these very fine favors which have been extended, but to relieve your minds, and incidentally to relieve the minds of those who are seated at the speakers' table, only four of us Governors will speak this evening. It is rather difficult—well, perhaps unwise—to say some of the things which may come to the mind of a toastmaster on an occasion of this kind. I am reminded of the incident which is related of the early days of the President of the University of Chicago, who, as you will know after going to that University, made several changes, and not all of

them were entirely acceptable to other members of the academic circle. It seemed that Mrs. Hutchins in performance of her wifely duties went one evening to a faculty gathering, and in order to make conversation with a rather shy young man who was next to her, she asked him what he thought of those changes which had been made, and he told her, and she stood it about as long as she could, and then she said, "Do you know who I am?" And he said, "No," and she said, "I am Mrs. Hutchins," and he said, "Do you know who I am?" And she said, "No," and he said, "Thank God!"

We could not—we would not give you a counterpart of that story, because those of us who have lived through the storm and stress of these last four years in affairs of Government, have come to look upon each other with an air of profound sympathy and understanding. We are unwilling and unable to utter thoughts which our political adversaries may portray to the world, despite differences that we might have politically. Therefore, I shall present to you the four who are to represent us, with pride, because of their achievements during this period.

The first whom I shall present to you is a representative of the old State—his State has had problems, various problems seriously affecting the people, for over half a century. He came to the office of Governor of the State of Mississippi after experience as chief executive, thrice elected, of the community in which he lived. He is a strong man, a distinguished public servant, experienced not only in the needs of his own people, but experienced in statecraft. With pleasure I present to you the Governor of the State of Mississippi, the Honorable Hugh White.

GOVERNOR WHITE: Governor Park, Governor McNutt, ladies and gentlemen:

I am delighted to be here this evening in this rather unusual State, but when I tell you that within two or three days my Legislature will be in extraordinary session to deal with the common school, unemployment insurance, and liquor laws, you know I am delighted to be here tonight.

This, my friends, has been a very happy day for me. The wonderful hospitality of our generous hosts, Governor and Mrs. Park, and another opportunity to view the great progress of this magnificent city, and then, too, my friends, due to the fact that I feel tonight that I am more or less talking to my own people, because you merchants

of St. Louis have feasted off of my State for the past twenty-five years—it has been a fertile field for you—and I am delighted to tell you tonight there is much in store for you in the future, for Mississippi has just harvested probably as great a crop as in its history, one million nine hundred and forty thousand bales of cotton, with the seed that has brought to the people of my State one hundred and thirty-five million dollars. Then, too, we are building roads in our own State. We have a forty-three million dollar program going, and by the middle of next summer we hope to have the entire forty-three million dollars under contract. Within eight months' time my State has put under contract twenty-three million dollars in highways, so you can see we are building the State.

Then, too, my friends, we are progressing along other lines. We are determined in that State that we are not going to depend in the future upon the one-crop system for our people; that we are going to balance our program. We are going to balance agriculture with industry, and we are going to take the settlers from the farms of our State where they are not needed to produce the maximum that can be produced and disposed of to advantage,—but that we are going to take those people and provide not only additional income for the farms, but provide employment for the citizenship of our State.

I am happy to tell you that I had the honor to call into extraordinary session a Legislature just this last September, and passed what probably is called the most radical piece of legislation ever enacted by any State, and yet when you thoroughly understand the reasons, what is to be accomplished under it, you will say that Mississippi has taken forward probably the greatest forward step ever in our history. Twenty-three industries have located in that State in the past fifteen months, giving employment to approximately eight thousand of our citizens. Now we have passed an enabling act, making it possible for the smaller industries of our State to come together; instead of just a few public-spirited citizens taking up the load and providing the funds for development, we are now making it possible for all of our citizens in the community to get together and develop the entire State, so I say to you citizens of St. Louis, we have been coming to you for a long time. Sometime next year we are going to complete this highway system, and we are going to expect you to return what we have done for you, by only making a visit to the State of Mississippi. I thank you.

CHAIRMAN GOVERNOR McNUTT: Thank you, Governor White.



Possessor of a broad heritage from a long line of able administrators of one of the first States, long in the public service, with a distinguished career, acquainted with the problems of municipalities as well as of the country and State, a member of the Council of the City of Baltimore, State's Attorney, Judge of the Court of Tax Appeals, one of our Governors who possesses that which all of us need in a large measure, a sense of humor, and one which he has needed since the 3rd of this month—I present with great pleasure the Governor of the State of Maryland, the Honorable Harry Nice.

GOVERNOR NICE: Mr. Chairman, distinguished guests, ladies and gentlemen:

I present myself as one of the two representatives of the political lost tribe of Israel, but with very sincere hopes and great expectations of early discovery.

This afternoon, just as we were about to start out on that wonderful sight-seeing tour, I received a long distance call which delayed me some fifteen or twenty minutes, and when I had finished my conversation I discovered that the caravan had moved on, and then I took counsel with Colonel Porter as to where he could make contact with the caravan, and knowing my guests, I suggested that we hurry as fast as possible to the brewery. And there my judgment was vindicated.

I should like you to be of good cheer and not be afraid, because it is not my intention to attempt a speech, but I rather would substitute for alleged eloquence, and I am not altogether unmindful of the fact that the steam that blows the whistle turns the wheels of machinery.

Some seventeen years ago I entertained a very modest thought that the people of Maryland desired my services as their Chief Executive. They did not agree with me, and they returned my opponent by one hundred sixty-five votes. The first point that I desire to make is that if I attempt any alleged speech, somebody will stop me, and that reminds me of an experience, and a true experience that I had in that campaign.

I was traveling over my State. I came to a small village, and on a cellar door I saw one of the patriotic sentinels sleeping on the cellar door with his hat cradled in his arm, and, as was my custom, not allowing any innocent voter to escape me, but always wrestling with him, as did Jacob with the angels at the foot of the ladder, I got out of the machine and walked over and touched this sleeping citizen, and he lazily opened his eyes. I extended my hand and I said, "Good afternoon, my name is

Harry Nice, and I am running for Governor of Maryland." Just as lazily, he closed his eyes and muttered, "Well, who in the hell is stopping you?"

Well, somebody stopped me, but I am convinced that each succeeding generation becomes intelligent, so that seventeen years later the people regained their sanity, and here I am.

I am a firm believer in education, but I do not want my remarks in that regard to be read into the record as an approval of what happened on the 3rd of this month. I am delighted to be here. I have met some delightful folks. We have been so genuinely welcomed, and so courteously treated, that I can assure you when we are forced tomorrow to move on to the Capital of this great State, and later pass to the next largest city, we shall do it with the greatest degree of reluctance, but we shall carry away in our hearts a realization that true Southern hospitality has been the watchword of the day, and as we go, we will certainly fervently pray that Almighty God in His wisdom will descend upon you, as he sends his gentle rays from Heaven, every blessing that you could wish for yourselves.

I am sure that you have not been unduly thrown out of gear by the presence of these gentlemen who are functioning as Chief Magistrates all over this country. You know, we think we are the embodiment of all of the wisdom, that we possess all of the knowledge of the ancient magi, and we are able at any time to settle any question about our own State. We did it this morning, and we will probably unsettle it tomorrow morning, and on Wednesday we will probably establish something else, but we have had a delightful time. You have been more than generously kind to us, and we will go away with very, very pleasant memories of the great State of Missouri, and the exceedingly beautiful City of St. Louis, and so I bid you all a farewell, because I will not have the opportunity of seeing you again, but I do wish that you—not all at once—but individually, would come down to Annapolis and look at my home, which I am going to occupy for two more years, and I wish it were two more months only—but I have rebuilt it, I have renovated it, and I have it now uncrated and ready for inspection, so that if any of you do come to Annapolis you may rest assured that mindful of your hospitality the latchstrings of the Executive Mansion of Maryland will be open to any citizen of Missouri. Thank you.

CHAIRMAN GOVERNOR McNUTT: Thank you, Governor Nice.

The members of this Conference have witnessed on two occasions, this year and last, what I regard as a phenomenon in their political life. Usually when the Governor of a State is invited to attend a meeting from which might arise political repercussion which might call upon him for decisions on matters of which he is not certain, and decisions which might blight any ambition that he had, he doesn't go, but sends in his stead his Lieutenant Governor. However, the State of Oklahoma has treated this Conference to the pleasure of sending to this, which is one of our happiest gatherings, the Lieutenant Governor of the State. He has twice been a member of the Conference. He has endeared himself to all who know him, and I am reminded by your own Governor that there may be a reason for all of this; he was born in Missouri. I present to you the Lieutenant Governor of the State of Oklahoma, our friend, James E. Berry.

**LIEUTENANT GOVERNOR BERRY:** Mr. Toastmaster, honored guests, members of the Chamber of Commerce of St. Louis:

You know our toastmaster said we were supposed to pay for our dinner by speaking, but when I was notified a short time ago that I would be called upon for a few scattering remarks, something happened to my appetite, and I serve notice on you now that I did not eat very much, so that if I don't speak much, that will be all right.

I had the pleasure of attending the Governors' Conference at Biloxi, and at that time I had the pleasure of meeting several of the Governors of the United States, and one morning we got up about five o'clock and went fishing, and while they all beat me catching fish, none of them got enough to do any good, and I think that all of the Governors are much better speakers than they are fishermen, but at that Conference our Governor Park said that the next meeting he hoped would be in Missouri, and I am certainly happy that he was successful in getting the Conference here, because we have had such a fine time. I have got to meet so many people of St. Louis, several of whom I have already known in times past, and the courtesies you have shown me throughout the day have made it very easy for me to understand why a certain young man named his most treasured possession "The Spirit of St. Louis."

**CHAIRMAN GOVERNOR McNUTT:** Presenting the next member of the Conference, the great great grandson of a Governor of his State, great grandson of a Governor of his State, son of a Justice of the Supreme Court,

he is twice a member of the State Senate, for a decade Treasurer of his State, twice the Governor of his State, I present to you a distinguished public servant, Hill McAlister, Governor of Tennessee.

GOVERNOR McALISTER: Mr. Chairman, His Excellency, the Governor of Missouri, members of the Chamber of Commerce of the City of St. Louis, my colleagues and fellow citizens:

There has been so much, during this day, of the goodwill and cordiality of the people of the City of St. Louis, that I am sure all of us who are here this evening, notwithstanding that this part of the program had not been made known, are quite prepared for the generous cordiality with which you have received our appearance here.

We were met this morning at the station, and with much pomp and circumstance we were escorted to our hotel, and from that on there has not been the slightest thing wanting, to complete the hospitality and the kindness of the people of this great metropolis of the West.

For myself, and I speak for Tennessee, I do not feel a stranger here. I have often been the guest of this magnificent city before, and on each occasion of my visit here I have had the opportunity of reviewing names made famous by Tennesseans that had their origin back in the places familiar to me.

I see this evidence of your kinship again, away back yonder at the beginning, a century and a quarter ago when Andrew Jackson and Thomas H. Benton, I believe, tried to murder each other in a street duel in the City of Nashville, from which Jackson went straight almost to the battlefields of New Orleans, and Benton began that remarkable career as a public man in this State. There has been a bond of warmth and sympathy between Tennessee and Missouri, that I venture to say, in this presence here this evening, has become stronger with each intervening decade. I, now, in the name of the people of Tennessee, proclaim their kinship with you here again this evening.

Much has been said in this room during the last half hour, of the deliberations of the Conference of Governors. I was disposed to take it rather lightly on my first introduction to their deliberations, but I began to realize that it was something that had to be carefully guarded in expressions made in their presence, as, for instance, this morning we got on the subject of Social Security, and a mere suggestion was made to this presence by an

official of the United States Government that we personally must call into extra session our respective Legislatures for the purpose of considering certain aspects of the Federal Social Security Bill, and you can imagine, ladies and gentlemen, the consternation which that suggestion created, and although no vote was ever taken, and no program and policy outlined, it apparently was almost unanimous. I listened to the benefits, and my distinguished friend here, the Governor of Indiana, and the Governor of New Hampshire, told us what it had conferred upon their respective States—and I realized that Tennessee was not one of the States that up to that time had taken advantage of it, and I began to feel like one of the brethren over in the eastern part of my State, where they not long since found out that the Mount Zion Hard-shell Baptist Church was in the process of exchanging ministers, and a visitor had appeared in the pulpit, and, it seems, had made a profound impression, so much so that on the following morning on a street corner two of the brothers of the congregation were discussing the relative merits of the visitor, and he who already occupied the pulpit. One of them was outright in his preference for the visitor. He said, "Did you hear that man pray? Why, he would ask the Lord for things, like he knew the Lord had them."

I am grateful for the opportunity of standing before this gathering of the business leaders of St. Louis. I am expressing, in the name of the people of Tennessee, that cordiality of feeling that we have so long cherished toward the people of this great State, to the Governor of Missouri, and those on his staff, who have had the many evidences of your hospitality and your goodwill, our profound thanks are due. I understand that our visitation is to leave the City of St. Louis, to take in and visit other parts of this great empire State of the West.

I can only say that if the evidences of goodwill, hospitality and material prosperity are as complete as those displayed here, that Missouri stands without a parallel in her ability to make a stranger welcome within her gates. I regret that the serious business of this gathering has been finished, and we leave, the members of this Conference leave this great State, and I hope that you will retain the same pleasant, kindly memories of us that we have experienced in this splendid meeting with you here this evening.

CHAIRMAN GOVERNOR McNUTT: It was with some trepidation that the members of the Executive Committee determined that the meeting of the Conference should be held after the election. I take it that you

have noticed, however, the restraint of the gentlemen who have addressed you. Apparently the campaign exhausted what had been known as an inexhaustible supply of words on the part of all who occupy executive positions. It is now my pleasure to present to you, to acknowledge your greetings, the other members of the Conference.

(Each visiting Governor and each accompanying member of his family was at this time introduced to the meeting by Governor McNutt.)

CHAIRMAN MAESTRE: Governor McNutt, Governor Park, and our distinguished guests:

We have been enlightened and delighted by your presence here tonight. We have one objection to register, and that is that we object to St. Louis being made a one-night stand for the Governors. Our suggestion is that they stay over tomorrow and the next day, and the day after that. We can tell them all about Jefferson City and Kansas City in a few minutes. We can know them better, and probably they will know us better, but if they won't do it that way, our suggestion is that they come back next year, sometime during 1937. If they cannot come in the aggregate, we suggest they come in pairs, and if they can't come in pairs, we suggest they come in singles, but we want them back.

I now declare this meeting adjourned.

A D J O U R N M E N T

**SENATE CHAMBER**  
**MISSOURI STATE CAPITOL,**  
**Jefferson City, Missouri,**  
**November 17th, 1936.**

**CHAIRMAN GOVERNOR McNUTT:** Gentlemen, I have the honor to present as your presiding officer for this session of the Conference of the Governors of the States of the United States, the Honorable R. L. Cochran, Governor of Nebraska.

**GOVERNOR COCHRAN:** Governors and ladies and gentlemen:

This afternoon we are to have a very interesting subject discussed. We all know that during a period of years, particularly in recent years, one of the most pressing problems has been that of safety on the highways. It has come about due to the improvement of roads, and the improvement of automobiles, and of the speed of automobiles. It is a matter that is very interesting to us all, and it is a problem for all of us to solve.

The speaker this afternoon on this subject is a man who has given years of study and attention to this problem. He was Motor Vehicle Commissioner for his State for a number of years and is now Governor.

I have the pleasure of presenting Governor Harold G. Hoffman, Governor of the State of New Jersey, on the subject of safety of the highways; Governor Hoffman.

**GOVERNOR HOFFMAN:** Governor Cochran, His Excellency, Governor Park, gentlemen of the Conference, ladies and gentlemen:

I am very happy to be here this afternoon, after that very kind introduction. Not long ago I spoke in Detroit, where I was presented by the Commissioner of Public Safety in Industry.

He said, "Ladies and gentlemen, I have been looking over this guy from the State of New Jersey, and I can tell you he is in good health, but damn bad shape."

I suppose this afternoon, by reason of the fact I am one of the species rapidly becoming extinct in the United States—a Republican Governor—that anything I say will be taken in the nature of a minority report.

Governor Hardee placed me on the program and was prompted probably to select me by reason of the fact that as Governor Cochran suggested, I was Commissioner

of Motor Vehicles in New Jersey five years, and during that time, as one of my critics said, I made the highways safe for seventy-mile-an-hour Republicans and unsafe for thirty-mile-an-hour Democrats, and got myself elected Governor of New Jersey, but—in all of my promotion of safety in New Jersey, I forgot to warn the members of my party in that State to stay out of the way of landslides.

I think that possibly I should tell you something of the safety work as we have conducted it in the State of New Jersey, and I know that many of you gentlemen, as Governors of your respective States, have been impressed by the necessity of cutting down the tragic loss of life and property upon our highways.

Not long ago we had an election. I don't want to tell you that I was upon the losing side of that particular argument, but I think we were all impressed by the fact that while we were permitted to go to the polls and conduct our election in an orderly way, that in other countries in the world at the same time, there were men and women who were killing each other in order to determine under what kind of government they should exist.

But, while we were congratulating ourselves here, and while we might congratulate ourselves upon our orderly election, our bloodless election in the United States, on that same day over one hundred people were killed in accidents throughout the United States, to say nothing of thousands of other who were injured.

I am speaking now of accidents in general, and not specifically street and highway accidents, for every day we have this loss of life, over three hundred lives are lost per day. Our average loss of life in the United States is about one hundred thousand per year, and of course the injuries run into the millions. But, thirty-seventhousand people last year were killed upon the streets and highways of the Nation. We set an all-time high in 1935, and the reports coming in for the first nine months of this year would indicate that the 1936 total will be even higher than that of 1935.

Now, it seems to me that something must be done about this. I know that in our official positions all of us have felt the challenge that comes to us by reason of this tragic loss of life, as we get the statistics, and in the various States various plans have been set up and are being carried forward in an effort to bring about a reduction in the loss of life and limb upon the streets and highways.

We have been building these great highways of ours for all of our States. I do not think it is necessary to call



your attention to the fact, as we go about campaigning we talk about getting the farmers out of the mud, and talk about these great arteries that we have been building during our administration in order to provide the life stream for the commerce of our States—we talk about the money that has been spent, but at the same time it seems to me we should say something about this unnecessary loss of life upon these very highways every day. Just as we are sitting here now, there are automobiles piling up at intersections, automobiles crashing into ditches, piling up at culverts, going into telegraph poles; there are other automobiles carrying human beings skidding into buses, and into trolley cars; pedestrians are being cut down, and this all results in this great loss of life of thirty-seven thousand, and over a million injuries that are more or less serious. We know that many people by reason of these automobile accidents are maimed for life.

Now, in New Jersey, during the period when I was Commissioner of Motor Vehicles, right after I was elected by the New Jersey Legislature—because in New Jersey our Commissioners are elected in joint sessions of the Legislature—that is our pet plan because our Legislature is generally Republican, and the Governors generally Democratic, in New Jersey, so we have thrown that into the Legislature in order to insure the continuance of Republican Commissioners of Motor Vehicles—but right after I assumed office I was digging through some of the old records and found the record of Mr. J. B. R. Smith, New Jersey's first Commissioner of Motor Vehicles, and a very fine citizen of our State—he is still alive and still very active—but in 1906 this man makes his first report to the Legislature in New Jersey, and called attention of the Legislature to the great speed evil, and I can recall one sentence of that report. He said, "One of the most flagrant violators of the law yet to come to our attention was apprehended the other day in Long Branch, only after the high-spirited steed of a mounted policeman had been almost exhausted, and there had been a threat of shooting."

1906! It seems almost impossible to believe that we have all been living in this, the first third of the century we are pleased to call our own Twentieth Century, but in 1906 in this State of ours, and we think we have been one of the forward States as far as the automobile industry has been concerned, in 1906 cars were traveling at such a great rate of speed that this horrible example of a law violator could hardly be overtaken by a mounted policeman. As against that incident, a few days after I became Commissioner of Motor Vehicles, one of our in-

spectors picked up a fourteen year old boy driving a high-powered car on a very heavily travelled road in New Jersey, picked up this boy going at an admitted rate of speed of eighty-two miles an hour. Our department checked up that case. We found the boy was a student at one of the preparatory schools nearby. He had a license that was legally issued in another State where a child of fourteen may obtain a license, and the parents of this youngster had sent him, for Christmas, a twelve cylinder Cadillac automobile, with which he was proceeding to burn up the highways of New Jersey. I cite that, to show the progress, or perhaps the antithesis of progress, that has been made during that period, a little over a quarter of a century. At the start, we know we had those deeply rutted roads, and we have seen those roads, those old mud roads, at the hands of the highway engineers, develop into the great fine highways we have today, with multiple lanes designed to carry heavy traffic, with warning signs at intersections, with cloverleaf approaches, as we call them, cloverleaf intersections in order to eliminate grade crossings upon the highways, with warning signs, and we have been taking away obstacles and obstructions at intersections, and doing everything possible to put safety into the highways in most of the States. I was greatly impressed yesterday with the remarks made by some of the Governors at the dinner, with regard to the development of roads in their particular States.

We have been trying to build our roads to stay, in New Jersey. Our little highway system cost us two hundred and eighty-one million dollars for our highways and bridges. Someone said we should build the roads to stay. One of the lesser poets said:

Hordes of autos all remind us  
We should build our roads to stay,  
And when dying leave behind us  
Kinds the rains won't wash away.

So when our children pay the mortgage  
Father made to haul the load,  
They won't have to ask the question,  
"Here's the bond—but where's the road?"

We have paid too little attention, I think, officially to the conservation of human life upon the highways. I know that in New Jersey our finest highway is perhaps the highway between Newark and Trenton. We spent millions in the building of that highway, and tried to build into it everything that represented safety, and we have spent a great deal in the way of maintenance of

that highway, from a safety standpoint, and yet up until recent years we had on that highway an average of twenty-seven accidents per mile. Now, we have gone, in New Jersey, into the matter of safety education. We started with an appropriation of twenty-five thousand dollars in our Traffic Bureau in our Motor Vehicle Department. We are going into the schools, through the cooperation of our fine staff there. We are organizing, as you have them in other sections of the country, the school safety patrol. We have lectures upon safety. We have tried to get all of the civic organizations to join with us in the promotion of a State Safety Council. We have relied greatly—and it seems to me it is not very much to our credit in general throughout the Nation—that we have relied almost entirely for the promotion of the real work of public safety, upon a private agency, the National Safety Council. They have been carrying it forward, and have, of course, tried to help the various States to organize for safety.

One of the things I found when I became Commissioner in New Jersey was that no accident statistics were compiled. It seemed to me right at the outset that we could not hope to reduce accidents unless we knew just how, where, and why those accidents were occurring. We did have, under our law, a requirement that all accidents should be reported, but we did not have a uniform reporting system. Now a great number of the States do have the uniform reporting system. One of the first reports that I received in my early days came from a motorist who reported an accident and said the other car skidded “the length of the piece of string I am enclosing,” and then he enclosed a piece of string about seventy-five feet long.

But there are so many things that can be done in those of the States in the Union today where they have no official organization for the promotion of safety on the highways. We feel, of course, those who have been in the work feel that every State should have a driver's license law, and that there should be examinations, as far as possible, and many of the States are now going into the matter of official inspection of the cars that use the highways. It may be something more than a coincidence, but in the last ten years there has been a reduction of twenty-one per cent in the number of automobile fatalities in those States that have a driver's license law, while in the States not having a driver's license law there has been an increase of anywhere from two to thirty-one per cent.

I know that you have many other things to discuss this afternoon. If you care to ask me any question that I may be able to answer, I would be very happy to make that endeavor. We have been rather proud of the progress we have made in New Jersey; so far this year we have had a nine per cent reduction in automobile deaths. There are a number of States that have exceeded that record. New Hampshire has a reduction of twenty-eight per cent, and the other States that have exceeded the three per cent of Nevada are Wisconsin, Connecticut, North Carolina, Colorado and West Virginia. All of those who have been engaged in the safety work generally feel that our hope for progress in the conservation of life depends on what we call the "Three E's," engineering, enforcement and education.

Of course, enforcement does play a very great part. We have found that generally in any community where they go into a real enforcement campaign, as far as motor vehicle violations go, that if you would plot it out upon a graph, that just as the curve of convictions goes up, that your accident curve goes down, and of course, with the reverse when there is a let down in enforcement. After all, Governors, or commissioners of motor vehicles, or members of the Legislature, can act only as a sort of general staff. We can draw up the plans of battle, but we have to depend upon our police officers throughout these States of ours, and in the various communities, to go out upon the line of battle and meet the enemy, or the fellow who insists upon driving carelessly and with disregard for the lives, property and rights of others. They have to meet that enemy face to face, and we think that the police officers in general, the traffic officers, should have better support from official circles. They are the fellows who must do the job.

Then, along with enforcement, if we can combine good engineering—we know that the automotive engineer has made his very great contribution. We have seen the development from the old horse and buggy into the fine well balanced car of today, with four-wheel brakes, better operation, more scientific steering apparatus—the automotive engineer has made his contribution. Then, the highway engineer has made his great contribution, so that the number of accidents actually caused through mechanical defects of cars, or through faulty road construction, are almost negligible. They do have some effect, but they are only a contributing factor to the number of accidents that we generally have in our States.

It seems to me, gentlemen, that this situation does challenge the attention of the Governors of the States.

After all, we are supposed to be, I suppose, the eyes and ears and consciences of over one hundred and thirty million people in this Nation of ours, and perhaps we should give just as much attention to human lives as we do to our systems of taxation, or the building of our roads, or the matter of feeding and providing shelter for so many of our people at the present time. I do think that this is a most important subject, and that officially we should lend all possible aid to the end that we may reduce this tragic loss upon the streets and highways of the Nation. Thank you very much.

CHAIRMAN GOVERNOR McNUTT: Governor Hoffman, we are all in accord on the necessity for education and enforcement; there is one mooted question, the answer to which I should like to have from you, do you believe in speed limitation as such?

GOVERNOR HOFFMAN: No, I think speed is only a contributing factor—there are times—

CHAIRMAN GOVERNOR McNUTT: (Interrupting) I mean arbitrary speed limits.

GOVERNOR HOFFMAN: There are times when a person capable of doing it can drive more safely at sixty, sixty-five or perhaps seventy-five miles an hour, but under certain conditions a man would be a reckless operator who drove at fifteen or twenty miles an hour, due to conditions of the pavement, weather, or traffic congestion, but a lot of people who drive fast are operators who have a lot of confidence in themselves, and most of them are experienced.

CHAIRMAN GOVERNOR McNUTT: And have control of their cars.

GOVERNOR HOFFMAN: Yes, you will find that no one is immune from accidents, however. In New Jersey, and I had intended to call your attention to this because it seems to me it is very worthwhile work—we had not had enough money to enable us to go really into this thing of continual violators, but we have a system there under which the Commissioner of Motor Vehicles—and which was initiated during my administration—that department is going through our records and picking out here and there in different parts of the State, and among different classes of people, drivers who have had possibly two or three arrests within a year, or possibly three or four accidents over a period of two or three years. This man is then given a summons and comes down before the Commissioner of Motor Vehicles, or one of the deputies, who has a talk with the fellow and finds out something of

his attitude and quite often we revoke the licenses—take that particular fellow off the road. It has had a very good moral effect, because they are now starting to check up on the number of arrests they have had.

GOVERNOR COCHRAN: What is the driver's license law, what investigation do you make to qualify them for a driver's license?

GOVERNOR HOFFMAN: We have an examination that consists of an eyesight test, a written examination upon the laws, and a practical test of driving. We think it has been very effective.

GOVERNOR COCHRAN: How long is the license good for?

GOVERNOR HOFFMAN: A year.

CHAIRMAN GOVERNOR McNUTT: How much of a fee do you charge for your examination?

GOVERNOR HOFFMAN: Three dollars. They first get a permit by paying fifty cents, and that covers the period of ten days when they are learning to drive. They can get renewals for a longer period, if necessary. Then our driver's license fee is three dollars.

CHAIRMAN GOVERNOR McNUTT: Renewable each year, at three dollars?

GOVERNOR HOFFMAN: Yes.

CHAIRMAN GOVERNOR McNUTT: Would that cover the cost of examination?

GOVERNOR HOFFMAN: Yes.

GOVERNOR NICE: What is the reaction on compulsory insurance?

GOVERNOR HOFFMAN: Of course, only one State now has compulsory insurance. You get a lot of varying opinions as to the success of compulsory insurance. Most of the States have now safety responsibility or financial responsibility laws. We require a motorist who has had an accident of a certain type, or a serious violation, such as driving while intoxicated, or after a certain number of accidents—we require it.

GOVERNOR NICE: We have that. His license is revoked and can only be restored upon his obtaining insurance. Where he has had an accident, we revoke the license, and he then must get coverage in order to have his license restored.

GOVERNOR HOFFMAN: That is similar to ours.

GOVERNOR NICE: Of course, that is tied in with permanent revocation for serious offenses, intoxication or something of that kind—then, he cannot get it restored.

GOVERNOR HOFFMAN: It is very difficult, I think, to work out a real compulsory insurance law.

GOVERNOR NICE: Due to the opposition of the insurance companies.

GOVERNOR HOFFMAN: Well, there are a lot of people—the old line insurance companies do not want to accept these risks if you have compulsory insurance, you have to provide some means of coverage for everyone, and it generally leads to the State going into the insurance business.

GOVERNOR PETERSEN: Won't the American Automobile Association furnish you with standard forms, for adoption of laws they recommend, based on experience?

GOVERNOR HOFFMAN: Yes.

GOVERNOR PETERSEN: That is probably the best data you could get anywhere.

GOVERNOR HOFFMAN: Yes, they recommended the financial responsibility law; the law we have in New Jersey is practically the A.A.A. law. Where you have an accident involving damage of over one hundred dollars, or loss of life, or personal injury, and, in New Jersey, for violations, driving while intoxicated, reckless driving involving an injury, and several other of the more serious motoring offenses, we generally give notice of ten days or two weeks, that within that time they must file a certificate with us showing they have insurance coverage, or we revoke the license and take them off the road.

GOVERNOR PETERSEN: Won't the refusal to grant anyone a pardon who is convicted of driving while intoxicated help to prevent some of these accidents?

GOVERNOR HOFFMAN: We have in New Jersey probably the most stringent of the so-called drunken driving laws. For a first offense, thirty to ninety days in jail, a two hundred dollar fine, either or both, and the license revoked for a period of two years. That revocation is mandatory. No one, the Governor or any of the Judges, Commissioner of Motor Vehicles, or any other officer, has the right to restore that license within two years, unless they have carried up a successful appeal, and that appeal must be made within ten days after the original sentence.

GOVERNOR PETERSEN: That is a good law.

GOVERNOR HOFFMAN: And for a second offense, permanent revocation of the license, five hundred dollar fine, and ninety days in jail.

GOVERNOR COCHRAN: Do you favor any restriction as to speed, by statute?

GOVERNOR HOFFMAN: Not at all. While we do have the speed law in New Jersey, a lot of people think it should exist as a guide, but of course I don't think in any of the States we are very honest about it, because they all exceed those limitations that are set up under the law.

GOVERNOR NICE: Do you differentiate in the speed of trucks and pleasure cars?

GOVERNOR HOFFMAN: Yes.

GOVERNOR NICE: Those trucks that run on schedule become more or less of a menace, don't they?

GOVERNOR HOFFMAN: Well, I think so. Of course, there is a lot of conflict of opinion.

GOVERNOR NICE: Yes, I understand truck drivers do not all take the same view.

GOVERNOR HOFFMAN: I think this matter of commercial vehicle operation between the States is something that is really going to take our serious attention in the years to come. This is a little bit off the subject of safety, but I wonder if I might not throw this particular thing in, because I am sure it will be of interest to some of the Governors.

When I became Commissioner in New Jersey, we had a clause in our law which provided that any out of State commercial vehicle operating fifteen days—which had been interpreted to mean fifteen trips, in New Jersey—should be required to register in New Jersey and take out New Jersey plates. Well, that particular provision had not been enforced to any great extent. It was in there, of course, and I thought that under that provision, New Jersey might get back some of the money spent upon its roads, which were being used by out of State vehicles, so a short time after I became Commissioner, my eye fell upon this particular clause, and I thought I should enforce it, and we would build up revenues coming in through our department, so I put our inspectors out at every point of interstate entry, at the Holland Tunnel, the George Washington Bridge, and the ferries, and all



of those other places along the Pennsylvania line, and, of course, we checked for fifteen days, and at the end of that time we started making arrests, and one of my inspectors, a fellow named Terry Finnigan who had been in my company during the war got in touch with me, and he said, "Commissioner, I have just knocked off two big ones for you." He sent in the report, and they had arrested the drivers of two trucks. New Jersey's maximum at that time was ninety dollars per truck. Those two operators were taken into Jersey City in Court and fined twenty-five dollars apiece and forced to register. That made a total of about two hundred and thirty dollars that we collected. Well, it happened that those trucks belonged to the United States Trucking Corporation. The next day Captain Seaton and the traffic squad went down West Street in New York, where all of our farmers go into the Market, and they had Magistrate John Nelson's Court crowded about seven weeks, as near as I could find out, and in all collected about a quarter of a million dollars in return for the two hundred and thirty dollars we got. So, of course, we had a lot of experiences like that. We did get that pressure within our State, where so many people, so many of those out of State trucks were using the New Jersey highways for trucking, but, of course, our trucks in large numbers were going out of the State, too. I don't know how many of you gentlemen have your ports of entry such as they have in Kansas. Do you have them?

GOVERNOR COCHRAN: Yes.

GOVERNOR HOFFMAN: You see, we have these States in the East where there is such a great movement across the border lines, and the minute you stick your mitts out there to see how much you can grab off, and how much you can increase your revenue from people coming out of the State, you just upset this fine reciprocal spirit we have been trying to build up between the States, and you find every other State as a matter of protection has a number of their own laws that can be used effectively.

GOVERNOR NICE: You are not trying to collect it now?

GOVERNOR HOFFMAN: What did you say?

GOVERNOR NICE: I say, you are not trying to collect that now?

GOVERNOR HOFFMAN: No, we have the very reciprocal spirit. We give operators from another State, both commercial and passenger vehicles, all of the privi-

leges that they afford New Jersey operators in other States.

GOVERNOR COCHRAN: Is there any further discussion?

GOVERNOR PARK: Governor, what do your statistics show the principal cause of accidents?

GOVERNOR HOFFMAN: Well, of course, we know it is the human element, it is faulty driving habits that result in most accidents. I don't know that there is—well, there are a number of things, disregarding red lights caused crashes at intersections, and yet our statistics show that we have just about as many accidents between intersections as we do at the intersections, which would make it appear that the traffic lights being disregarded is not entirely the answer. Sometimes it is driving too fast for conditions.

GOVERNOR PARK: What is your remedy?

GOVERNOR HOFFMAN: Well, we think, or I think personally that your remedy lies chiefly in education. I mean, if there was something we could do to build a better breed of driving. I was talking to Senator Toll a moment ago. There is one thing that is greatly impeding the progress we could make in this safety field. I heard Dr. McClintick of Harvard say not long ago that the thing to do is to build up a breed of drivers whose good driving actions are going to become instinctive, just as now when an insect approaches our eyes too closely, we shut them, of course, but the thing that will keep us from reaching that goal is the fact that today, as drivers go from one State to another, or even as they go from one community to another, they encounter a new set of traffic regulations, and encounter laws that are in conflict with the laws of their own States, and the driver today quite largely doesn't know just where he is.

GOVERNOR NICE: A highway with a park in the center is a step towards safety.

GOVERNOR HOFFMAN: Such highways undoubtedly help in the elimination of your head-on accidents. Getting back to the matter of reciprocity between the States, we had a law in New Jersey for instance which required all commercial vehicles to have automatic directional signals that, of course, were electrically operated. Some of the people were interested in those devices and were able to get that over in the Legislature, but during the period that we had them, we had a situation, for instance, where, let's say, a Standard Oil truck

in New Jersey would have been subjected to a fine of one hundred dollars through not having this signalling device, and then it would cross over into New York where they had a law prohibiting the use of any electrically operated appliance on a gasoline tank, and where they would be subject to a fine of two hundred dollars for having it. In New Jersey they were fined one hundred dollars for not having it, and across the border in New York they were fined two hundred dollars for having it.

GOVERNOR PEERY: Does the illumination of highways reduce the percentage of accidents?

GOVERNOR HOFFMAN: Yes.

GOVERNOR PEERY: Is that precluded by the cost, is the cost too much?

GOVERNOR HOFFMAN: Your main objection there is in the cost, but your most serious accidents, and by far your greater percentage of accidents happen after dark.

GOVERNOR PEERY: The greater percentage of them happen after eleven o'clock at night, do they not?

GOVERNOR HOFFMAN: Yes.

GOVERNOR COCHRAN: That is the cause?

GOVERNOR HOFFMAN: When I say a greater percentage, I am taking into consideration the fact there are fewer cars on the road at that time.

GOVERNOR COCHRAN: That is because they are driving without proper lights?

GOVERNOR HOFFMAN: Yes. The worst hours are between five and six at night. Between five and six at night most traffic accidents occur. That is because people at that time, there are many cars on the road and people are driving home from their employment, and are under fatigue, and get careless.

GOVERNOR PETERSEN: Isn't that because most of the drinking is done after sundown?

GOVERNOR HOFFMAN: I don't know about that. I am not an authority on drinking.

GOVERNOR PETERSEN: I would like to ask a more serious question. Do you make all automobiles and trucks stop at all railroad crossings in New Jersey?

GOVERNOR HOFFMAN: Vehicles carrying passengers, for hire, are required to stop, but not private vehicles.

GOVERNOR PETERSEN: Not private vehicles?

GOVERNOR HOFFMAN: No. We have been making a lot of improvement, though. We have eliminated nearly all of the grade crossings in New Jersey. I know many of you have been giving thought to it, but we do have a law in New Jersey under which, when the Public Utility Commission hands down an order requiring the elimination of a grade crossing, the State would be obliged to provide fifty per cent of the cost, and the railroad fifty per cent. That was later modified—of course, with the railroads in their present financial condition, they just could not go forward with a lot of this costly work—that was later modified so that now if we get a Federal grant of forty-five per cent, that entire forty-five per cent can be applied on the railroad's share. We have been using some of our highway monies, about two million dollars a year, to bring about the elimination of these grade crossings.

GOVERNOR COCHRAN: There is a Federal appropriation for all States, for grade separations.

GOVERNOR HOFFMAN: That comes under the State Highway Department, that is being done in addition to the other.

GOVERNOR PEERY: A good many of the States have commissions on uniform laws. Does that body make—is it making any progress towards getting uniform motor vehicle laws?

GOVERNOR HOFFMAN: I don't know just how far they have been progressing, but we have a number of agencies that are working in that direction. We have got the Eastern Conference of Motor Vehicle Administrators, and now this American Association of Motor Vehicle Administrators, and then, of course, we are hopeful that something can be done through the Council of State Governors, and the Commission on Interstate Cooperation. That subject is one that requires a lot of thinking and quite a lot of work. The very greatest amount of progress can be made, I think, through the association of States in an area considering some of these things.

GOVERNOR COCHRAN: In other words, not trying to deal with it as a total, but taking sections of the country?

GOVERNOR HOFFMAN: Yes.

CHAIRMAN GOVERNOR McNUTT: It is particularly difficult, isn't it, in New Jersey, where it is the bottleneck going into New York? We are in the same situ-

ation going into Chicago from the northeast, southeast and south, and to some extent from the southwest.

GOVERNOR HOFFMAN: New Jersey is just about a gangplank for traffic.

CHAIRMAN GOVERNOR McNUTT: We have trucks from all over the country going through. It makes it difficult for you, when you are trying to work it out through interstate agreements.

GOVERNOR HOFFMAN: Well, I think possibly the Conference wants to go on to something else.

GOVERNOR COCHRAN: Any further questions or discussion?

GOVERNOR PARK: I think possibly this might be interesting. One of our officials was driving to St. Louis not long ago and passed through a red light at Pacific, Missouri. The patrolman stopped him and reprimanded him and said, "Now, you back back up that hill and come on down and see if you can see that red light." The gentleman replied, he said, "I am not going to make a monkey out of myself," and the officer said, "Your parents have done that already, go on back."

GOVERNOR PETERSEN: Governor Cochran, I move that we now refer back to the Social Security discussion.

GOVERNOR COCHRAN: You have heard the motion. Is there a second?

(Said motion was seconded, put to a vote by Chairman Governor Cochran, and unanimously carried.)

GOVERNOR SHOLTZ: I think Governor Peery has a resolution to offer.

GOVERNOR COCHRAN: The Chair recognizes Governor Peery.

GOVERNOR PEERY: Fellow Governors, apropos of the discussion we had yesterday, I want to offer a resolution, if that is in order at this time. We have one member of the Resolutions Committee here, Governor Petersen; and Governor Green, who is also a member, does not seem to be present.

GOVERNOR PARK: He will be here. He is taking an airplane flight over the Ozarks, and will be back in a few minutes.

GOVERNOR PEERY: I have no disposition to press this in his absence, but I do not want to lose any right by

any delay, so with your permission I will read this resolution which I have drawn and submitted: (Reading)

"Whereas, Title IX of the Federal Social Security Act, approved August fourteenth, nineteen hundred and thirty-five, imposes on and after January first, nineteen hundred and thirty-six, an excise tax upon employers of eight or more individuals, subject to certain exceptions, with respect to employment; and,

"Whereas, each taxpayer is authorized to credit against the foregoing tax imposed for each taxable year the amount of contributions, with respect to employment during the taxable year, paid by him into an unemployment fund under a State law approved and certified in accordance with the provisions of the said Social Security Act; and,

"Whereas, only sixteen States and the District of Columbia have enacted unemployment compensation laws which have been approved in accordance with the provisions of the Social Security Act; and,

"Whereas, the other thirty-two States and the territories of Alaska and Hawaii will lose the benefits to be derived from allowable credits for the taxable year nineteen hundred and thirty-six, and possibly for the taxable year nineteen hundred and thirty-seven, unless provision is made whereby such credits are saved to them or amounts equal thereto are segregated and held for such States and Territories by appropriate Federal legislation: now, therefore,

"Be it resolved, that the President of the United States be and he is hereby requested to ask the Congress of the United States at its next session to enact such legislation as shall be necessary either to save for those States and Territories which have not yet enacted unemployment compensation laws maximum credits allowable under the Social Security Act, or to segregate and hold for such States and Territories amounts equal to such maximum allowable credits, for such period of time as shall be necessary to furnish such States and Territories an opportunity to have adequate unemployment compensation laws enacted by their respective legislatures, at regular sessions thereof, and approved by the Social Security Board.

"Be it further resolved that the Congress of the United States be, and it is hereby, respectfully requested to enact appropriate legislation to carry out the purpose hereinabove set forth." I move its adoption.

**GOVERNOR NICE:** Governor Peery, does the Committee have any objection to adding to the resolution, that the Secretary of this Conference be directed to forward copies of this resolution to both the President and to the Congress?

**GOVERNOR PEERY:** I think to cover that by a motion—in the event it is the pleasure of the Conference to adopt the resolution, to cover that by a motion. It could be covered by adding to that, that the Secretary be directed to send to the President and to each member of the Senate and Lower House a copy of this resolution.

**GOVERNOR NICE:** I second the motion of Governor Peery that the resolution be adopted.

**GOVERNOR COCHRAN:** You have heard the resolution. The motion to adopt same has been seconded by Governor Nice of Maryland. All of those in favor—

**GOVERNOR PARK:** Do you want some discussion on it first?

**GOVERNOR COCHRAN:** Yes, pardon me. Is there any discussion on this resolution? We do not want to be hasty in the matter.

(Calls for question)

**GOVERNOR COCHRAN:** With no further discussion, all of those in favor will say "I."

(Members vote affirmatively)

Contrary, "No."

(None voting)

The question prevails and the resolution is adopted.

**GOVERNOR NICE:** I move now that the Secretary of this Conference be directed to forward a copy of this resolution, one to the President of the United States, and another to the Congress of the United States.

**GOVERNOR COCHRAN:** Motion made by Governor Nice that the Secretary of this Conference be directed to send a copy of the resolution just adopted to the President of the United States.

**GOVERNOR PARK:** May I interrupt. I suggest a copy to each branch of the Legislature.

**GOVERNOR NICE:** Well, yes, to the Senate and the House. Governor Sholtz suggested an amendment to my motion, and I want to amend it; that the Secretary be

directed to send a copy of this resolution to the President of the United States, and a copy to each member of the Congress of the United States.

GOVERNOR PEERY: May I be permitted to suggest that you also include in that, that a copy be sent to the Secretary of the Senate, and the proper officer of the House.

GOVERNOR NICE: Well, that means everybody that goes into Congress.

GOVERNOR COCHRAN: May I make the further suggestion, Governor Nice, that a copy be sent to the Social Security Board.

GOVERNOR NICE: Yes, to each member thereof.

GOVERNOR PETERSEN: And I believe it would be well for every Governor to have a copy of that, so when we get home we can say that we have done something.

GOVERNOR NICE: You mean we need documentary evidence to prove that?

GOVERNOR SHOLTZ: A number of Governors have requested, who are not here, that this action be taken.

GOVERNOR PEERY: In view of Mr. Miles' statement yesterday that it was not the function of the Social Security Board to recommend for or against the law which they are administering, I think perhaps we might omit from that motion the members of the Social Security Board.

GOVERNOR NICE: This is for the information of the members of the Board; this is informative to that Board as to what we have done.

GOVERNOR COCHRAN: My thought, Governor Peery, in offering the suggestion, was, not to ask any action on their part, but merely to advise them that the action had been taken.

GOVERNOR NICE: If you can remember my motion as amended by the various gentlemen, I now renew it.

GOVERNOR PETERSEN: I will second it.

GOVERNOR COCHRAN: The motion, as I understand it, the Chair will stand corrected if it is not correct,—as I understand the motion of Governor Nice, seconded by Governor Petersen, is that the Secretary of the Conference be directed to send a copy of this resolution to the President of the United States and to each member of the Congress, and to each of the several Governors of



the States, and also to each member of the Social Security Board.

GOVERNOR NICE: That is correct.

GOVERNOR COCHRAN: You have heard the motion.

GOVERNOR NICE: Also to each clerk of the Senate and House.

GOVERNOR COCHRAN: Also to each clerk of the Senate and House.

GOVERNOR NICE: That probably gets it officially before them.

GOVERNOR COCHRAN: You have heard the motion. Is there any discussion?

(Calls for question)

All those favoring the motion will say "Aye."

(Members vote affirmatively)

Those opposed, "No."

(None voting)

The motion is carried.

GOVERNOR SHOLTZ: In view of the fact that the Governor of Puerto Rico has pressed before the Governors' Conference the fact that Puerto Rico has not been included in the provisions of the Social Security Act, I was about to offer a further resolution to the President, or to such proper authority, as to where it should go, requesting and urging that they be permitted to take part. With your permission, I will read the resolution. (Reading)

"Whereas the provisions of the Federal Social Security Act did not include Puerto Rico within the terms and provisions thereof,

"Resolved that the President be requested to recommend and the Congress be requested to enact an amendment to the Act, by which Puerto Rico may be allowed to come within the terms and provisions of said Act."

Mr. Chairman, I move the adoption of that resolution.

GOVERNOR NICE: I second the motion.

GOVERNOR COCHRAN: You have heard the motion made and seconded. Is there any discussion?

(Calls for question)

All those in favor will say "Aye."

(Members vote affirmatively)

Contrary, "No."

(None voting)

The motion is carried.

GOVERNOR NICE: Governor Cochran, I now move my motion that has already prevailed, as to the distribution of that; in other words, I move that this resolution be handled in the same way.

GOVERNOR COCHRAN: That the same distribution be given to the resolution offered by Governor Sholtz, as to the other previous resolution.

GOVERNOR NICE: That is right.

GOVERNOR COCHRAN: We had a motion, I think that is understood. Is that right, Mr. Secretary?

SECRETARY HARDEE: Yes.

GOVERNOR SHOLTZ: I trust Governor Peery did not misunderstand my reading the resolution, when he prepared it. Florida has a very close interest in Puerto Rico. We are close neighbors.

GOVERNOR WINSHIP: I am very grateful to you gentlemen for this. It will be a great benefit to us. We need it.

GOVERNOR COCHRAN: Now, ladies and gentlemen, we have with us today a man with whom we are all acquainted. I presume that Henry Toll has called on each of you one or more times, as he has upon me.

I presume also that you have received the very fine information with respect to all of the States, which I have received. If you have, and I presume you have, I am sure you will share with me the pleasure of hearing from the Executive Director of the Council of State Governments, Mr. Henry Toll.

MR. TOLL: Mr. President and members of the Conference:

It is a very great pleasure, and a very great honor to me to be permitted to say something to you on the subject to which this Conference is dedicated, and in which it has its being, the question of cooperation between the State Government. That is a subject which has been an

obsession to me for more than a decade, and which during that time has been my—my life work has been principally devoted to that objective, and so, as a person who has that feeling with regard to State Governments, I think it might be permissible for me to say that the State Government is as a unit on the whole a decadent unit of Government.

During the last one hundred and fifty years, we have seen a constant tendency for functions to pass from the State Government into the Federal Government. There is a one-way valve. Those functions never return.

Now, the reason for that decadence of the State Governments, the reason for the fact that we now every now and then hear someone say, "Well, perhaps the States have served their usefulness, perhaps the functions of the State should be entirely transferred into the Federal Government, perhaps it would be more efficient if the United States were governed as a single unit, with districts, and decentralized administration in the various areas," is not due to the fact that the States have not been adequate in governing—that your State has not been adequate in the conduct of its own government. In a general way, the States have been pretty good units of Government. Each State has taken good care of its own affairs.

The reason that the functions are being taken from the States, and transferred continually into the Federal Government, is that the States have not shown the capacity for harmonizing their activities as among themselves. It is on account, not of the intra-state government, but on account of the failure to give adequate efficiency in the field of interstate government.

The causes of that failure of the State to emphasize the matter of interstate cooperation—to emphasize the matter of interstate cooperation as much as they might, is probably due partly to the fact that we have a relatively rapid turnover in office. Sixty days from now, for instance, of the forty-eight States, twenty-four will have different Governors than the Governors that they have today. When the Government comes into office, when the Legislature comes into office, his feeling is that he has been elected primarily for the work of his State. The Governor is elected to govern Missouri, to govern Kansas, to govern Nebraska. The tendency of the newly elected State official is to feel that that is his function and that the problems arising as to the harmonization of his Government with those other States in the same region, or in more remote areas, is secondary, and a

somewhat remote consideration, but as a matter of fact it is on account of that situation that the powers of the State are in jeopardy, and they tend to pass into the Federal Government. It is not at all a party matter. When the Republicans are in power in Washington, the tendency is for the Government to take on more and more function; when the Democrats are in power, it is the same tendency. I was amazed in looking over one of the early records of the Governors' Conference, to see that after the first two sessions had been held in Washington, the Governor of New Jersey, who was Woodrow Wilson said, after one Conference had been held in Louisville, and one elsewhere, "The vitality of this Conference consists in the fact that it has, I will not say, emancipated itself, but released itself from Federal guidance."

And three years later he was President and accused of attempting to centralize powers. Of course, the same thing could be said as to Theodore Roosevelt, and the leaders of both parties, such men as Elihu Root, and Charles Evans Hughes, have been very ardent in their advocacy for effective cooperation between the State Governments.

I would like to read just about six lines from the preamble of the Articles of Organization of the Council of State Governments. (Reading)

"Spread over an area of three million square miles, governing one hundred and twenty million persons, headed by forty-eight Governors, controlled by seven thousand five hundred legislators, and administered by tens of thousands of officials, the State Government cannot help or harm. Without organization, their cooperative impulses will continue to be futile until they are implemented, but today there are better facilities for dealings between the Federal Government and foreign nations than there are for dealings between adjacent States."

In a way, it is as if the various nations had no ministers of foreign affairs, and were to say, "We are very willing to cooperate with our neighbors, but there is no ministry to undertake that function."

A government is a difficult agency to set in motion in cooperative matters.

About a year and a half ago, after a conference between some of the members of the New Jersey Legislature, and especially by the majority leaders, Senator Woolver through interest in the development of the Council of State Governments, of which Governor Winant

was at that time President, there was prepared a bill which was enacted by the New Jersey Legislature, and which became law by Governor Hoffman's signature, which created for the first time in the history of the Nation a State Commission on Interstate Cooperation. Now, the structure of that Commission is of more than ordinary interest in such matters. The Act begins by establishing in the Senate a standing committee constituted as are other standing committees of the Senate, composed of five members, a standing committee on interstate cooperation. It then creates a similar commission of five in the House of Representatives, a similar standing committee of five, of the House of Representatives, a committee on interstate cooperation. Then the Act creates a New Jersey Commission on interstate cooperation, consisting of fifteen members, that is five senators and five representatives and five of the administrative officials to be appointed by the Governor, one of whom the Governor appoints as chairman, so that, for instance, Governor Hoffman then appointed the attorney general and the head of the tax department, the head of the public welfare department, the judge and the chairman, and so on, and the New Jersey Commission on Interstate Cooperation was then a going concern.

The committee met under its own power and set up committees on various subjects with which the State of New Jersey was having problems in its dealings with New York or Pennsylvania or with other States. Promptly that idea was disseminated and took hold. This is a barge that is not swimming upstream. It is swimming downstream, because everyone is interested in the idea of State cooperation. Every thoughtful political student I believe would subscribe to this doctrine, that it is desirable that every function of Government should be administered by the most localized unit of Government which can adequately perform that function, but of course in the matter of adequacy, we also have the question of adequacy in the matter of harmony between units.

The citizen, Republican and Democrat alike, looks with some regret as he sees functions passing out of the local State Government, to Washington. The State officers do not desire it. The Federal officials do not desire it. The congressmen who vote for acts which take powers from the State and transfer them into the Federal Government do so with regret, because they do not like it, but they do it because they know of no other way for securing proper harmony between the government, and so that idea of the development of machinery for cooperation is one that finds a ready welcome almost every-

where, and so since that time essentially similar action has been taken, sometimes by resolution and sometimes by statute, in sixteen other States, and I think you may be interested in the list of States, because it may have some bearing upon the facilities in your respective States to deal with some of your neighbors; Alabama, Colorado, Florida, Indiana, Kentucky, Mississippi, Nebraska, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Virginia and West Virginia.

In each of those States there is now in the House a standing committee on interstate cooperation, in the Senate a standing committee on interstate cooperation, and a State Commission, the chairman of which, and the administration members of which have been named by the respective Governors.

You will observe that New York, New Jersey and Pennsylvania have such Commissions. It can be fairly well demonstrated that until there is some personnel available to give service to such Commission to carry through their decision, they will not be particularly potent. The Council of State Governments a little more than a year tried an experiment. It stationed a man, delegated a man, gave him an office in New York, and he started to work on a full time basis to do what he could to help the Commissions of New York, New Jersey and Pennsylvania in their activities, and the result, to the surprise of all of us concerned, I think, was very dynamic. It galvanized those Commissions. One of the first things that happened was that Governor Hoffman had been preparing for a nationwide conference of the States on matters of crime prevention. He called the conference and then said, "We have this Commission working on matters of interstate cooperation, and I am going to delegate to that Commission the organization of this conference." The Commission then went to work and also called in the original representative of the Council, and he worked with it, and a highly successful conference was held. Nearly forty of the States had delegates present, and that conference set up the Interstate Commission on Crime, to which each of these Commissions on interstate cooperation named a member, and in States where no such commissions have as yet been established, the Governors named one from each State. Forty-eight States acted in naming members on that Interstate Commission on Crime. The Executive Committee has had, under the chairmanship of Judge Hartshorne of New Jersey, a series of meetings and is making real progress in a program for interstate cooperation, especially through uni-

form legislation in the field of crime prevention, but is also giving its attention to other fields of interstate cooperation, such as administration cooperation.

I might say, in passing, there is no overlapping between the Council for State Governments' progress and that of the National Conference of Commissioners on Uniform State Laws. I, myself, have been a member of the Conference of Commissioners on Uniform State Laws for many years, and have attended practically every meeting for the last fourteen or fifteen years. I am interested in the development of that organization, but that is an organization the function of which has been carried on in the drafting of legislation, but this is a program which results in the dissemination of the results of their labors, or of other labors, in the planning for interstate cooperation.

Another very interesting phenomenon which I am sure no Governor can fail to be interested in, because it has great potentialities in every region, is one which develops a sort of pattern which may be used with regard to any problem in which a group of States is involved. The Pennsylvania Commission on Cooperation desired to organize some activity in the matter of pollution of the Delaware River, a very serious problem. One conference after another was held at the instance of that Commission, with the States of New York, New Jersey, Pennsylvania and Delaware, under the auspices of this Commission on Cooperation, as the result of which the participants gradually came to realize that there was a larger question involved than pollution of the Delaware River; that there was problem of a four-State program for the proper utilization of the basin of the Delaware River, pollution water control, and in general a larger question, flood control, and some means for the utilization of the region for recreational purposes, and so there developed the Interstate Commission on the Delaware River Basin, on which each State named a senator, representative, and administration official, and a planning official, and that Commission is becoming very important. At a recent meeting which it held within the last six weeks, at Delaware Water Gap, where Governor Hoffman was among those present, there were two hundred officials of Governmental units, Federal, State and municipal, in attendance, and a spirit of cooperation, such as has never been developed between those States in that connection, was there. There can be no question but that there is a better hope there than there has been before, for proper cooperation in the Delaware River basin.

Now, incidentally, this is a possibility of a development of great importance for those Governors who are concerned over that number one problem of proper coordination between Federal and State Governments, not to mention local Governments.

Especially, for instance, is that question acute in the matter of taxation. We all know that we have but one National income; that if the Federal Government taxes when and as it sees fit, without regard to the State Government, and then the State Government taxes when and as they see fit, without regard to the Federal or local Government, and then the local Government take what they can get to keep going, with the constant tendency of taxes to increase, Federal, State and local, we are coming to a more and more acute problem where there will be strangulation for the States, and strangulation for the local Government in an increased degree. We have all seen some of that in the last five years.

We have been working on a pattern for that. We have an Interstate Commission on Conflicting Taxation similar in structure to that of the Interstate Commission on Crime, but beyond that we have what is called the Tax Revision Counsel, with eight Federal members, eight State members from the Executive Committee of the Interstate Commission, and eight local members. The Federal members, at the outset Secretary Morgenthau was chairman, and the director of his research division is chief counsel, and then Senator Pat Harrison is Chairman of the Finance Committee, and Senator King is Chairman of the sub-committee on conflicting taxation. Similarly the chairman of his sub-committee, is their research director. Council of that sort may lead to the possibility for the development of Federal, State and local council, and mutual consideration of, and the development of a better integrated program than any other arrangement which has as yet been developed.

Now, the council—the question always legitimately comes up as to financing. The Council of State Governments has been financed in part by appropriations from the States, but that has been underwritten by the Spillman Fund, which is a Rockefeller Foundation. At the present time it has a staff of about eighteen—full time staff of about eighteen people, and I believe in the near future there will be another regional secretary such as the one in New York, established at some point west of the Mississippi River. That staff is serving as a research agency and clearing house for the following, the Association of Attorneys General—the President of that Association has recently resigned his position as Attorney



General of Montana, in order to join the staff of the Council in Chicago, within the last three weeks, and work on the task, serving in a similar capacity, for the National Association of Secretaries of State, and in similar capacity for the American Legislators' Association, and it has been a great deal of pleasure for us to do such—to render such services as we have been able to, working with Governor McNutt and Governor Hardee in behalf of the Governors' Conference.

Gentlemen—no one has a more sincere interest than I have in the effectiveness of the Governors' Conference. I have followed the Conference with the greatest of interest for many years. I have attended more meetings of the Conference than any one of the forty-eight Governors, as a matter of fact, going back to 1926.

I feel a vital concern that the Conference should play its full part in the work of cooperation between the State Governments, because on the proper performance of the work of cooperation hinges the maintenance of the present structure of Government in its present condition to a considerable extent. The thing that I hope, is that the Conference will continue to give active consideration to the possibilities, but what we should do in the way of giving a constructive turn to the desire that we all have for more effective cooperation between the State Governments, to the development of patterns of organizations, to the development of machinery of cooperation. I am sure that the Governors' Conference has a great part to play in that field. Thank you very much.

GOVERNOR COCHRAN: Any discussion of Mr. Toll's address? I am sure the fact we are here, and meet each year, is evidence of the fact we are desirous of cooperating as States, and are glad to have the information we get here.

MR. TOLL: May I add one more sentence?

I meant to say, I believe the development of such Commissions on Interstate Cooperation would do more than any other one thing would do to give added force to the work of the Governors' Conference, because if, when the Conference meets and discusses a problem and reaches a general consensus of opinion, each Governor could go back and call the chairman of his Commission on Interstate Cooperation and say, "Here is something we talked about. See if you can develop a more effective cooperation in this field, with our neighboring States." It seems to me it would strengthen the work of the Conference and help to give it vitality.

GOVERNOR PETERSEN: What year was it that first Commission was set up, in the State of New Jersey?

MR. TOLL: 1935.

GOVERNOR COCHRAN: The American Bar Association is working along the line of uniform laws, too, are they not?

MR. TOLL: Their work is principally through the work of the National Conference of Commissioners on Uniform State Laws; that is really, in a sense, a wing of the American Bar Association. It always meets at the same place as the American Bar Association, during the same week, and the Bar Association largely finances that. It is entirely made up of lawyers, and then the Commissioners report back to the Bar Association, and the Bar Association always approves the recommendation of the Commissioners.

SECRETARY HARDEE: Mr. Chairman, the two objectives of the Governors' Conference, when it was organized back in 1908, were conservation of natural resources and the contemplated adoption, by the various States, of uniform laws. Through this, what we might call a subsidiary of the American Bar Association, some splendid laws have been enacted, such, for instance, as the Uniform Negotiable Instrument Act, and the Uniform Warehouse Act, and they have been working on the question of uniform divorce laws, and things of that sort.

GOVERNOR COCHRAN: Uniform extradition laws?

SECRETARY HARDEE: Uniform extradition laws, too, which is a very important subject. They have done a great work along that line. I have been associated with Mr. Toll for some little time, in discussing what should be done with the Governors' Conference, how best it might play its part in the scheme of things in our Governmental set-up, and I do not think that any more important subject has been selected at any time than the one he has talked about.

Frankly, it would be my purpose, if I am connected with the Conference next year, to try to have the main item on the subject of discussion, the question of State cooperation. As he has so splendidly said, if the States are losing out, if power is constantly being concentrated in the Federal Government, as it is, isn't it because the States have not set up the proper agencies, and have not made a diligent, conscientious effort to harmonize their own interstate problems?

For instance, in listening awhile ago to Governor Hoffman of New Jersey, his State penalizes a driver for hav-

ing a certain instrument on his car, and the State of New York penalizes him if he doesn't have it, or vice versa, I believe it is. Those matters, it seems to me, ought to be regulated by cooperation in the proper way, between the States.

I just wanted to say how I felt about this subject that Mr. Toll has so splendidly brought to the attention of the Conference.

GOVERNOR COCHRAN: Any further discussion on this subject? If not, I believe that closes our program for the afternoon, and I will turn the meeting back over to Governor McNutt.

CHAIRMAN GOVERNOR McNUTT: The next matter on the agenda is the report of the Resolutions Committee. Chairman of that Committee is Governor Green. Are there any additional resolutions, Governor Green?

GOVERNOR GREEN: Is this the appropriate time for it? We have here a resolution approved by the members of the Committee, a resolution of thanks for the hospitality extended to us.

CHAIRMAN GOVERNOR McNUTT: It would be the proper time.

GOVERNOR PEERY: Mr. Chairman, I would like to ask if that would not come up more appropriately after our session over at Kansas City?

CHAIRMAN GOVERNOR McNUTT: There is no session scheduled there.

GOVERNOR PARK: I think we should have a session tomorrow.

CHAIRMAN GOVERNOR McNUTT: Is it the desire of the Conference to postpone this until the conclusion of the session tomorrow? Very well, we will have the report of the Auditing Committee, Governor Cochran, Chairman.

LIEUTENANT-GOVERNOR BERRY: It occurs to me it would be proper to have a motion of thanks to the different cities.

CHAIRMAN GOVERNOR McNUTT: It can all be included in the one, I should think, instead of having three, one for each city.

(Thereupon, Governor Cochran, Chairman of the Auditing Committee, read the report of the Auditing Committee, and then moved the adoption of the report. This motion was seconded by Governor Petersen and put

to a vote by Chairman Governor McNutt, and unanimously carried.)

Said report of the Auditing Committee is in the words and figures following, to wit:

**STANLEY C. WILSON, Treasurer**  
**In Account with Governors' Conference**

		Dr.
<b>1935</b>		
June 10.	Amount on checking account at Hartford Savings Bank & Trust Company, White River Junction, Vt., at time Treasurer's account submitted to Governors' Conference and approved .....	\$6,437.43
Aug. 13.	Cary A. Hardee, Secretary—	
	Florida dues .....	\$100.00
	South Carolina dues .....	100.00
	Nebraska dues .....	100.00
	Nevada dues .....	100.00
	Utah dues .....	100.00
	Washington dues .....	100.00
		600.00
Oct. 8.	Cary A. Hardee, Secretary—	
	Tennessee dues .....	100.00
<b>1936</b>		
Aug. 27.	Cary A. Hardee, Secretary—	
	Alabama dues .....	100.00
	Connecticut dues .....	100.00
	Delaware dues .....	100.00
	Florida dues .....	100.00
	Indiana dues .....	100.00
	Nebraska dues .....	100.00
	New Jersey dues .....	100.00
	Maryland dues .....	100.00
	Missouri dues .....	100.00
	Montana dues .....	100.00
	North Carolina dues .....	100.00
	Pennsylvania dues .....	100.00
	South Carolina dues .....	100.00
	Tennessee dues .....	100.00
	Virginia dues .....	100.00
	Wisconsin dues .....	100.00
	Wyoming dues .....	100.00
		1,700.00
Sept. 20.	State of Nevada—dues 1936 .....	100.00
Oct. 13.	Cary A. Hardee, Secretary—	
	Arizona dues .....	100.00
	Iowa dues .....	100.00
	Massachusetts dues .....	100.00
	Minnesota dues .....	100.00
	Mississippi dues .....	100.00
	New York dues .....	100.00
	North Dakota dues .....	100.00
	Rhode Island dues .....	100.00
	Utah dues .....	100.00
	Vermont dues .....	100.00
	Puerto Rico dues .....	100.00
		1,100.00
	Carried forward .....	10,037.43

**STANLEY C. WILSON, Treasurer**  
**In Account with Governors' Conference**

1936		Dr.
	Brought forward .....	\$10,037.43
Nov. 6.	Cary A. Hardee, Secretary—	
	Illinois dues .....	\$100.00
	Oklahoma dues .....	100.00
	New Hampshire Dues .....	100.00
	Washington dues .....	100.00
	Kansas dues .....	100.00
		500.00
	<b>TOTAL RECEIPTS</b> .....	<b>\$10,537.43</b>

**REPORT OF AUDITING COMMITTEE**

Balance at time last audit .....	\$ 6,437.43
State dues received since last audit .....	4,100.00
	10,537.43
Disbursements .....	5,752.87
	\$ 4,784.56

Vouchers for all disbursements have been submitted and checked by the Committee.

Respectfully submitted,  
R. L. COCHRAN, Chairman  
HILL McALISTER  
HAROLD G. HOFFMAN

**STANLEY C. WILSON, Treasurer**  
**In Account with Governors' Conference**

1935		Cr.
June 13.	Hartford Savings Bank & Trust Co.—	
	Exchange on:	
	Mississippi check .....	\$0.25
	Kansas check .....	0.25
	Oregon check .....	0.25
	Alabama check .....	0.25
	Indiana check .....	0.15
		(V.1) \$ 1.15
July 13.	Stanley C. Wilson, bill	
	allowed—expenses .....	(V.2) 155.16
	Streit & Smith—reporting and transcript .....	(V.3) 237.25
	Eynon Printing Company, 200 programs .....	(V.4) 25.00
	Cary A. Hardee, Sec'y, services & exp. ....	(V.5) 799.51
Aug. 14.	Breewood Printers—stationery .....	(V.6) 38.85
17.	Hartford Savings Bank & Trust Co.—	
	Exchange on:	
	Nebraska check .....	0.25
	Washington check .....	0.25
	Florida check .....	0.25
	South Carolina check .....	0.25
		(V.7) 1.00
Sept. 17.	F. Ray Keyser, Agt.—Premium on Treasurer's bond No. 586236-D ....	(V.8) 12.50

30.	Cary A. Hardee, Sec'y— salary & expense .....	(V.9)	557.60
	Suwannee Democrat—200 copies 1935 proceedings .....	(V.10)	607.70
Dec. 28. 1936	Cary A. Hardee, salary & expense .....	(V.11)	583.10
April 8.	Cary A. Hardee—quarterly salary & expense .....	(V.12)	569.00
June 16.	Cary A. Hardee, quarterly expense & salary .....	(V.13)	567.65
	Breewood printers—stationery .....	(V.14)	13.90
	Hartford Savings Bank & Trust Co.— Exchange on:		
	Florida check .....	0.25	
	South Carolina check .....	0.25	
	North Carolina check .....	0.25	(V.15) 0.75
Sept. 18.	Cary A. Hardee, Secretary, salary & expense .....	(V.16)	570.25
	F. Ray Keyser, Agt—American Surety Company premium on Treasurer's bond No. 586236-D .....	(V.17)	12.50
Nov. 4.	Council of State Governments— studies and bulletins .....	(V.18)	1,000.00
Total expenditures .....			\$5,752.87

**STANLEY C. WILSON, Treasurer**  
**In Account with Governors' Conference**  
November 10, 1936  
**SUMMARY**

Total Receipts .....	\$10,537.43
Total Expenditures .....	5,752.87
Balance on Hand .....	4,784.56
Amount in Hartford Savings Bank & Trust Company checking account, White River Junction, Vermont as per attached certi- fied statement .....	\$5,784.56
Less outstanding check No. 45, to Council of State Governments .....	1,000.00 4,784.56

I, Stanley C. Wilson, Treasurer of Governors' Conference, do hereby certify that the foregoing is a true statement of my account as Treasurer of the Governors' Conference.

(Signed) STANLEY C. WILSON,  
Treasurer.

Fred L. Davis, President James F. Dewey, Vice President I. J. Davis, Treasurer

**HARTFORD SAVINGS BANK & TRUST COMPANY**  
White River Junction, Vermont  
November 10, 1936

Governors' Conference  
Stanley C. Wilson, Treasurer  
Chelsea, Vermont  
Dear Governor:

We hereby certify that there is a balance on your account in the Commercial Department as of November 10, 1936, of \$5,784.56.

Very truly yours,  
(Signed) I. J. Davis,  
Treasurer

IJD:R

CHAIRMAN GOVERNOR McNUTT: Is it your pleasure to dispose of such business as we may at this session, leaving only the resolutions to tomorrow's session?

SECRETARY HARDEE: I think so.

CHAIRMAN GOVERNOR McNUTT: If that is the order, the next business of the Conference is the selection of its Executive Committee for the ensuing year. I might announce, in passing, that the five members of the Executive Committee, of the five, three are retiring, leaving Governors Horner and Nice on that Committee. Do I hear a motion that they be continued as members of that Committee?

GOVERNOR PETERSEN: I make that motion.

GOVERNOR SHOLTZ: I second it.

CHAIRMAN GOVERNOR McNUTT: That Governors Nice and Horner continue as members of the Executive Committee.

GOVERNOR PEERY: I second that motion.

CHAIRMAN GOVERNOR McNUTT: Is there any discussion? If not, and you are ready for the question, all those in favor will signify by saying "Aye."

(Members vote affirmatively)

Contrary, "No."

(None voting)

Governors Nice and Horner are elected. There are three vacancies. Nominations are in order.

GOVERNOR SHOLTZ: There has been a gentleman who has attended the last two sessions of this Conference, who has made a profound impression upon all of the members of both Conferences, and it is a very happy privilege for me to nominate as the man whom I hope will succeed me, because I go automatically out of office—I would like to nominate the distinguished Governor of the great old State of Virginia, Governor Peery.

GOVERNOR PETERSEN: I second the nomination.

GOVERNOR PARK: Mr. Chairman, we want a neighbor on this Conference. I am going out, and Governor Landon is going out, and I nominate the distinguished Governor of the State of Nebraska, Governor Cochran.

GOVERNOR NICE: I second that motion.

CHAIRMAN GOVERNOR McNUTT: Governor Cochran has been nominated. Are there any other nominations?

GOVERNOR GREEN: It is very appropriate that the East should be represented. I nominate that grand old man who is going to be Governor of Connecticut, Governor Wilbur Cross.

GOVERNOR SHOLTZ: I move that the nominations be closed.

GOVERNOR PETERSEN: I second the motion.

CHAIRMAN GOVERNOR McNUTT: You have heard the motion. Those in favor will signify it by saying "Aye."

(Members vote affirmatively)

Contrary, "No."

(None voting)

The motion is carried unanimously, the Chair will entertain a motion to elect unanimously the five members of the Executive Committee that have been nominated.

GOVERNOR PETERSEN: I so move, Mr. Chairman.

GOVERNOR SHOLTZ: I second the motion.

CHAIRMAN GOVERNOR McNUTT: You have heard the motion. Are you ready for the question? All those in favor of the motion will signify by saying "Aye."

(Members vote affirmatively)

Contrary, "No."

(None voting)

The motion is carried unanimously. The Executive Committee for the ensuing year will consist of Governor Nice of Maryland, Governor Horner of Illinois, Governor Peery of Virginia, Governor Cochran of Nebraska, and Governor Cross of Connecticut.

The next order of business is the election of the Secretary of the Governors' Conference. Nominations are now in order.

GOVERNOR NICE: Mr. Chairman, I nominate Governor Hardee. I move the nominations be closed.

CHAIRMAN GOVERNOR McNUTT: Governor Hardee has been nominated. Are there any other nominations? If not, the motion is to close the nominations and make the election of Governor Hardee unanimously is in order.

GOVERNOR PETERSEN: I so move, Mr. Chairman.



CHAIRMAN GOVERNOR McNUTT: Is there a second?

GOVERNOR NICE: I second the motion.

CHAIRMAN GOVERNOR McNUTT: All those in favor will say "Aye."

(Members vote affirmatively)

Contrary, "No."

(None voting)

The motion is carried and Governor Hardee is elected unanimously as Secretary.

GOVERNOR PETERSEN: Without speech?

GOVERNOR HARDEE: Without speech.

GOVERNOR McALISTER: I nominate Governor Wilson as Treasurer, and move that the nominations be closed and Governor Wilson be elected unanimously.

CHAIRMAN GOVERNOR McNUTT: You have heard the motion. All those in favor will say "Aye."

(Members vote affirmatively)

Contrary, "No."

(None voting)

Governor Wilson is unanimously reelected as Treasurer of the Conference.

GOVERNOR PETERSEN: Without speech, also. A point of information, here is a Governor who is going out. I wonder if there is any provision by which former members of the Conference are allowed to participate in the meetings?

CHAIRMAN GOVERNOR McNUTT: They are permitted to attend, without vote.

GOVERNOR PARK: Mr. Chairman, I have a telegram received from Governor R. W. Leche of Louisiana. May I be permitted to read it?

CHAIRMAN GOVERNOR McNUTT: You may read it.

GOVERNOR PARK: (Reading)

"Baton Rouge, Louisiana, November 16th, 10:41 A. M. Governor Guy B. Park: Continuing my efforts to bring about the settlement of a very serious railroad strike I

find it impossible to attend the Governors' Conference of which you are the host—stop—I had hoped to the last to attend the Conference—stop—Please express my regrets and convey my best wishes to the members of the Conference—

“R. W. Leche, Governor of Louisiana.”

GOVERNOR PARK: And a similar telegram was received from the Governor of Kentucky, whose wife was confined to her bed, and he feared to leave. Governor Horner is in Battle Creek, and also expressed his regrets.

GOVERNOR PETERSEN: I suggest that we send a letter to our distinguished Governor whose wife is ill, expressing the hopes of the Conference for a speedy recovery.

CHAIRMAN GOVERNOR McNUTT: Do you so move?

GOVERNOR PARK: I so move.

(This motion was put to a vote by the Chairman and unanimously carried.)

GOVERNOR PARK: I also have a telegram from Lloyd C. Stark, Governor-elect of Missouri, which I desire to read.

CHAIRMAN GOVERNOR McNUTT: Read it.

GOVERNOR PARK: (Reading)

“Louisiana, Missouri, November 16th, 11:46 A. M. Honorable Guy B. Park, Governor of the State of Missouri: I am very sorry indeed it is impossible for me to attend the Governors' Conference in Jefferson City this week—stop—Their discussions of matters of vital importance to the State of Missouri and the other States of the Union would be especially interesting to me as well as beneficial at this time—stop—please express to them my deep regret at not being able to attend—Lloyd C. Stark.”

GOVERNOR PARK: He is the Governor-elect of Missouri, and I understand you will find some remembrance from him on your dressers, Stark's Delicious Apples.

CHAIRMAN GOVERNOR McNUTT: Is there any other business to come before the Conference?

SECRETARY HARDEE: I have two more telegrams I think the Conference should hear.

CHAIRMAN GOVERNOR McNUTT: Read them.

## SECRETARY HARDEE: (Reading)

"Battle Creek, Michigan, November 14th. Honorable Cary A. Hardee, Secretary Governors' Conference, Coronado Hotel, St. Louis: Have sent the following telegram to Governor Park—quote—My doctor advises that I remain here another week and this will deny me the pleasure of attending the Governors' Conference at St. Louis this year—stop—This is a source of great regret to me, as I derive much delight in meeting my fellow Governors and great satisfaction in the discussion of subjects most important to the several States and Nation—stop—I would appreciate it very much if you would express to the Governors present my hearty salutations and my earnest wishes for a successful conference and my sincere regrets at my inability to be present with them on this occasion—Personal regards to you—unquote—Regret I cannot be present—Hope you have a successful Conference—stop—Please advise Adjutant General Brown that I am not expected—Regards—Henry Horner, Governor of Illinois."

"Washington, D. C., November 16th. Cary A. Hardee, Secretary Governors' Conference, Coronado Hotel: Best wishes for a most successful meeting—stop—Washington extends most cordial invitation to hold your nineteen thirty-seven meeting here—stop—Greater National Capital Committee offers every facility possible to make your meeting an outstanding success—George C. Minnigerode, Greater National Capital Committee."

GOVERNOR PETERSEN: As I understand it, past Governors may attend future Conferences.

CHAIRMAN GOVERNOR McNUTT: That is right.

GOVERNOR PETERSEN: But not vote?

CHAIRMAN GOVERNOR McNUTT: That is right.

GOVERNOR PETERSEN: However, I would like to know if we are not entitled to participate in future meetings, because I would like to come here to the next Conference and second the motions of one of the few Republicans left, the Governor of Maryland, I being the only Farmer-Laborite, I would like to have that privilege.

CHAIRMAN GOVERNOR McNUTT: Of course, after all, the Conference is the judge of its own membership and can vote any power extraordinary or otherwise upon anyone who happens to be in attendance.

Is there any other business? If not, a motion to adjourn until tomorrow is in order.

GOVERNOR SHOLTZ: I so move.

CHAIRMAN GOVERNOR McNUTT: Immediately following the luncheon in Kansas City, the Conference will convene. You have heard the motion. All in favor will say "Aye."

(Members vote affirmatively)

Contrary, "No."

(None voting)

The motion is carried.

A D J O U R N M E N T

**KANSAS CITY, MISSOURI,**  
**Wednesday, November 18th, 1936**  
**ARMORY**

**GENERAL BROWN:** Your Excellency, I have the honor to present to you General Craig, long of distinguished service in our Army. He holds a high position in the Army and has reflected great credit on the State of Missouri.

(General Brown here reads General Order No. 14)

**GOVERNOR PARK:** General Craig, we are very happy that you are back with us today, and as Governor of the State of Missouri, I am proud to extend to you a hearty welcome on behalf of all of the people of this great Commonwealth.

Since you entered West Point in 1894, we have watched with interest your remarkable, successful and distinguished military career. We are proud of your achievements. You have received during your long career in the Army many distinguished medals, but none have been conferred upon you with more sincerity, more of loyalty, and more of respect, than the one I am about to confer upon you now.

It comes from the heart of Missourians proud of you; the State that gave Pershing and Crowder and Admiral Koontz to the Nation considers you among her immortals.

I am happy to decorate you with this medal representing our deep affection for you.

**GENERAL MALIN CRAIG:** Governor Park and distinguished guests:

To return to Missouri is always a very happy occasion for me, but to come as I do at this time at the invitation of my fellow Missourians and to receive from the hands of the distinguished Governor of my native State this medal touches me very deeply. It fills me with pride and a heartfelt gratitude for the honor bestowed.

In acknowledging this tribute I must express in all sincerity the feeling that it is undeserved. My service as a soldier calls for no greater reward than does that of many others of thousands of native Missourians who have borne arms for their country. To be placed in the distinguished company of those gallant sons of Missouri who have at the hands of their native State received this honor leaves me with a feeling of deep humility. I treasure this award dearly and always will I try to prove worthy of it.

From the fullness of my heart, Governor Park, let me express to you, and through you to the people of Missouri, my appreciation of this honor and my thanks for the consideration this day shown me by the people of this great State.

**BANQUET**  
**MUEHLEBACH HOTEL,**  
**KANSAS CITY, MISSOURI,**  
**Wednesday, November 18th, 1936.**

Chairman, Druce Forrester

(Invocation by Dr. R. J. Currie, and musical numbers by Mrs. T. J. Strickler.)

**CHAIRMAN FORRESTER:** Distinguished guests, officers of the military service, ladies and gentlemen:

For many years it has been customary for the Governors of this Nation to hold a conference once a year. On this occasion it was held in St. Louis. Governor Park being host, no doubt painted such a glorious word picture of Missouri that some inquisitive Governor said "Show me," so Governor Park brought them across the State, and I hope that they have been convinced.

The Chamber of Commerce has instructed me to again tell you gentlemen and your wives how much we appreciate having you as our guests this evening. We are going to ask our chief executive, Mr. Bryce B. Smith, to introduce our toastmaster; Mr. Smith.

**MR. BRYCE B. SMITH:** Mr. Chairman, honored guests, ladies and gentlemen, and Ruby Garrett:

As the Mayor of Kansas City, I do not believe that I have ever had the opportunity, ever had the pleasure, the very enjoyable pleasure that I have had today, in meeting and in visiting with and mingling with these distinguished American citizens and public officials.

I want to say that it has been a real privilege, a real privilege indeed, and I know that all Kansas City is mighty proud of the fact that they are in our midst.

Now, we have entertained a great many groups of distinguished citizens in our time, of men and women, but I do not believe we have ever had any group that we got as much pleasure out of entertaining, as this group we have had here today. I think that today marks the high point of our experience in that direction. I know that all of the citizens of Kansas City join with me in expressing the hope that these distinguished visitors have had an enjoyable visit here, and we also hope that they will take home with them a mighty pleasant feeling for us. At least, that is, as I say, our hope.

We sincerely hope, also, that they will again return to Missouri at an early date.

Kansas City is, in our opinion, a mighty wonderful town, and we are mighty proud of it here. We are proud of the homes. I think we have wonderful homes, and I think they are occupied by wonderful people, some of the best people that God ever made, and we are proud of some of the cultural affairs that go on here, and I know that there is a great deal of religion that we are all mighty proud of here, and we are proud of the fact we have one of the best municipal auditoriums in the world, and we might also mention the Liberty Memorial, of which we are very proud, and the Nelson Gallery of Art, and a great many other things of like importance, but you saw a great many of those things I believe this afternoon, and I am not going to bore you by doing any boasting.

CHAIRMAN FORRESTER: Ladies and gentlemen, the climax, I think, of some of the things that we have enjoyed today comes with the introduction of a public official, who, as the Prosecuting Attorney of Platte County, and as a Judge, an able, industrious and mighty outstanding Judge of the Circuit Court, and as the Governor of the great State of Missouri, why, we think that he has reflected a great deal of honor upon us.

Governor Park has made a great record and he has been a mighty fine Governor, and he has been a fine Governor in every sense of the word. I know him intimately, and I think that most everybody here knows him intimately, and have the highest regard and respect for him. Missouri owes him a debt, a very great debt of gratitude for the services he has rendered us, and the State. We are proud of him as a citizen. We are delighted with him as a man, and we honor him as the Governor of Missouri, our Governor; so it is my proud and happy privilege to introduce, or rather, to present to you our Governor, Guy B. Park; thank you.

GOVERNOR PARK: Mr. Chairman, Mr. Mayor, ladies and gentlemen:

You have afforded me a splendid opportunity, Mr. Mayor.

I have been spending the past three days telling what wonderful men these Governors from other States are, and I am glad that you have given me a break.

In recounting the achievements of Kansas City and its monuments, your distinguished Mayor characteristically



modestly forgot to tell you what a great Mayor Kansas City has.

It is my pleasure, and I have instructed him not to talk too long, to call upon the Junior Senator from this State to greet the Governors of the several States who are present here tonight. It is my pleasure not to introduce but to present to you your Senator, Harry Truman.

SENATOR TRUMAN: Governor Park, Mayor Smith, and all of the distinguished guests here and in the audience:

The Governor told me I could not talk but five minutes. Now, when I make a political speech I usually talk a minute and a half, and he need not have told me to limit my remarks to five minutes. It is a pleasure for me to welcome the guests to the State of Missouri. It is also a pleasure to me to also welcome General Craig to Kansas City. He received a medal tonight which he richly deserves, and I was most happy to see him get it.

I am personally interested in a great many of these Governors. Many, since I have been in the Senate of the United States, I have had the privilege of getting personally acquainted with, a great many of them, and they are all fine citizens, and I hope when they get through what they are doing now in their States, I hope they will come to Missouri to live, but I hope they won't do it until after 1940, because I want to run for the Senate again that year.

I went to Rhode Island, and I met the Governor of Rhode Island, the Honorable Theodore Francis Green. I went there for the purpose of addressing a meeting of the Sons of St. Patrick, but I thought Rhode Island was made up entirely of Baptists—you know, I am a Baptist—and when I got there I found out there were more Sons of St. Patrick in Rhode Island than Baptists.

I had a most cordial welcome there, thanks to the Governor of Rhode Island, who is now becoming the Democratic Representative of Rhode Island in the Senate.

I have also had the very special privilege of being the chauffeur for the distinguished Governor of Indiana when he was Commander of the American Legion and came out here to see us in Kansas City to tell us what we ought to do in a patriotic way. He also entertained me very highly when I rode across the State of Indiana on the President's Special. We spent most of our time together in the lounge car, not with the President.

The Governor of Nebraska just the other day took me to a football game between Pittsburgh and Nebraska.

We went out for the purpose of seeing Nebraska win. One of the gentlemen who went along with us told me we made a mistake in not taking along a ham sandwich, for the man who won the game was named Goldberg and he came from Pittsburgh and if Nebraska had been properly armed, we could no doubt have won that game. We had a most pleasant day up there. I might say I am personally interested in all of these Governors.

I found out something else when I went to the Senate. One of my constituents told me I could bring him back a souvenir. He wanted me to bring back a piece of the Mason & Dixon Line. Well, I found out when I got there that it seems they have a "Nice" Republican Governor in Maryland, and a Democratic Governor in Pennsylvania, and so no longer need to have a Mason-Dixon line.

I had the pleasure of listening to Governor Peery of Virginia make a most eloquent address in praise of the great hero of Virginia, Robert E. Lee, who is also my hero, and I do not think I enjoyed anything more thoroughly than I did listening to Governor Peery.

The Governor from Florida is smiling and looking down at the table. I think we entertained him in St. Louis, at the Legion Convention, along with the Governor of Nebraska, a year or so ago. That is the reason he is back here today.

Of course, I do not live in Kansas City. I live out in Independence. Kansas City is a suburb of my town, and a mighty fine suburb, but I want to say to you, Kansas City is the principal City of Missouri. St. Louis has seceded. They call themselves the 49th State, so we don't have to count St. Louis. When you come to Kansas City, you are in the best city in the middle west, and if you leave the Capital out, the best City in the State of Missouri. Most of the officials live there, and I am mighty happy to see you all here, and as I say, I hope after 1940 you will all come here to live. Thank you.

**GOVERNOR PARK:** Kansas Citians and all Missourians and the visiting guests are honored tonight by the presence of the Chief of Staff of the Army of the United States, a native Missourian, a man who has rendered distinguished service in the Army, and as a citizen, for many years. We are proud to have General Malin Craig with us, and I know that you will be delighted to hear from him; General Craig.

**GENERAL CRAIG:** Mr. Toastmaster, distinguished Governors, and fellow guests:

My heart is a little too full with what happened to me this evening, to speak except briefly, and I would like, to an assemblage of this sort, to speak a minute from the point of view of the Army. There is no doubt a widespread feeling in this country, which has always existed, that the Army except in time of emergency is somewhat of a pest. Representing as I do by my office, every branch of the Army and the components of the Army, I protest against this feeling, and hope that it may be altered, because the Army of the United States has a record of never having failed in time of need, no matter whether it was war, or whether it was an emergency of a civic nature, or whether it was an act of the Almighty.

The trouble with this feeling, as I view it, is that people at large associate the Army with something which they call discipline, and they hate discipline, and I protest that they do not know what the word "discipline" means.

Discipline comes from the word disciple, and a disciple is a teacher, and that word disciple comes from the Latin word "docere," which means to teach. Nobody having any understanding would think that a well disciplined Army is a well punished Army, yet our people associate discipline with punishment. Our Army, on the contrary, is a well taught, well instructed Army, loyal to the oath from top to bottom. It is a fair cross-section of the people of this great country of ours. The Army of the United States will, I pledge you, as I can see it, never fail you. It will be just as good and just as efficient as you demand that it shall be, and it will be just as indolent as you permit it to be. Help us out, will you.

GOVERNOR PARK: By coincidence we have with us this evening a long-time military friend and admirer of General Craig, the distinguished Governor of Puerto Rico, Governor Winship.

(Governor Winship's address was made at the end of the table far from the reporter, and a greater portion of the time during said speech Governor Winship had his face turned away from the reporter, and it was impossible to make a shorthand report of Governor Winship's speech.)

GOVERNOR PARK: The Governor of Florida has in his heart and soul all of the sunshine of that lovely country. I know of no more genial, splendid man, than Dave Sholtz, the governor of Florida.

GOVERNOR SHOLTZ: My friend Governor Park, Mrs. Park, distinguished guests, ladies and gentlemen, and citizens of the great City of Kansas City:

I am delighted to be back in Kansas City. I know that if this were to continue another day or two, instead of being distinguished, we would become extinguished, because we have certainly had every possible hospitality extended to us.

Trains don't wait even on a Governor, and inasmuch as some of us must get away in a few moments, if I seem to run, I trust you will forgive me, but two years ago I came into your great State on the occasion of a marvelous event in your City. I made some splendid friendships here. It was good to come back and see Bryce Smith. I am sorry I did not get to see Judge McElroy, my good friend Tom Strickler, and the best part of his family, Peg Strickler. I loved to hear her singing once again. It was worth coming all of the way back to Kansas City, to hear that lovely voice, and to see so many of you I know. And then we come here and again meet your distinguished Senator in Washington, and then to be present on the occasion of the high honor which was given to your own Missourian, General Craig, whom we consider a citizen of Florida, too. And then, of course, you know that the Executive Secretary in the office of the Governor of Florida is a native Missourian, J. P. Newell, from somewhere down here at Joplin, to the south of us, and then of course, to come back to you has been delightful in more senses than one, to see Governor Park again, and to see Mrs. Park, was a delightful treat. May I say in behalf of the Florida party we have enjoyed every moment of our stay.

They tell me the temperature is dropping very sharply, so I am going back to Florida, where I can keep warm, and I want you all to bear in mind our position down there. We will be very happy to see you. We have made great preparations for your coming. The indications are, although we have had the greatest season in the history of the State last year, that even this year will be greater than ever before.

Prior to coming here, I went to Miami to see how things were getting along, and when I got off the train in the morning, going down to the hotel on the beach, I noticed that they were building a new bungalow, and as I came back that night, to go back to the train, why, they were evicting the tenant for non-payment of rent.

You know, it is terribly unfair to the Governor of California, he is not here and hasn't got a chance to speak for his side, and of course I must say, with all due deference to the menu, which talked about Florida salad, for the benefit of the Governor of California, my friend Frank

Merriam, I want to tell you they actually gave you California oranges and Florida grapefruit.

I am very happy to have been here. I wish I could have stayed with you longer—but I want you to know that we have many Missourians in Florida; that I have had the opportunity of meeting here in your great State two of the loveliest that have moved from our sweet State up here, and have now become a part of the great State of Missouri.

I give you greetings of the people of Florida, and tell you they are the same sort of people you have up here, and if you are going—and, by the way, it is a lot nearer to Florida than it is to California—by about a thousand miles—and if you are coming down there this winter we will assure you of every possible hospitality.

May I say, in closing, there is one thing that is always uppermost in my mind. I thank God I was born in this country and am privileged to live here, just as I congratulate every man and woman who has had the good sense to become a citizen of our country if they were not fortunate enough to be born here. You know, in Italy, a person is considered a tool of the government. In Germany, personal liberty is considered a sign of national weakness; in Russia, everything must be subordinated to the needs of the administration program. Here in this country we have the right to breathe, to live, to think, to be human beings first. I shudder, as I stand here, to think that on the other side of the water thousands of perfectly good men, women and children—just as good as we have in this country—yet thousands of them are now being needlessly slaughtered because their government has broken down. I want to tell you, my friends, every man and woman can thank God that he lives here. It is only by grace of God's mercy that you do live here, where we have men like General Craig at the head of our forces, not for the purposes of oppression, but for the purposes of defense, and where we have a partnership with the Almighty God, as we see it, to raise our children in our own homes, to enjoy and utilize the privileges of law and order under an orderly Government.

Of course, the Governors' Conference gives of itself to the preservation of the temples of American Liberty. May I say to you, in just these few words, there may come a rekindling and a revitalizing on the part of American appreciation of the privileges we enjoy as citizens in this great country.

I have enjoyed this Conference with the other Governors, because I have made new friendships and have

renewed old friendships, and have found that these Governors were just ordinary human beings, with the same hopes, ambitions, ideals and hopes for the future that I have; that after all, all of us have only a temporary lease on the position of Governor, and that we give our best in the service of our people, and the man who stands on the street corner, who finds it so easy to criticize, who finds it so easy to find fault, without giving a constructive suggestion, is just as much a communist at heart as is the man who openly espouses the destruction of this Government of ours.

So I say, these men, the Governors, have come into your State, average American citizens, God fearing men, endeavoring to give of their best for their country, and I am glad I am able to talk and mingle with them, and to enjoy your splendid hospitality, which I will carry home with me in the only thing God gives us, the ability to remember things, and to have a certain amount of sentiment, to carry away with me the remembrance of your glorious hospitality, and a feeling of fine appreciation, which I shall express to the people of Florida toward the great State of Missouri. Thank you.

GOVERNOR PARK: Because New Jersey has no Kansas City, its Governor is a member of the Republican Party. However, in this Conference no politics exist. We are all brothers in misery, comiserating one with the other, and it has been my pleasure to become well acquainted with Governor Hoffman. He is a great man, who has made a great Governor. He is a fine companion, a splendid gentleman. It is my pleasure to present him to the liberal minded people of Kansas City.

GOVERNOR HOFFMAN: Governor Park, General Craig, Senator Truman, fellow guests, ladies and gentlemen:

I truly am happy to be with you tonight, and to have that very gracious introduction. It was somewhat an extravagant introduction. I want the Governor to know that we do have some very fine cities too in New Jersey. Not long ago a man met me at Atlantic City, upon the boardwalk of that resort, which we are pleased to call the Playground of the World. He said, "Harold, you know, I have been all over the United States, and," he said, "I am glad to be back here." He said, "I didn't like it, and I went to Boston and I didn't like it there, because the question they always asked me was 'What do you get?'" So, he said, "I went to New York, and I didn't like it there, either. The question they always asked me there was, 'What have you got; what have you

got?" He said, "By Gosh, Harold, I am glad to be back at Atlantic City where the question is, 'What will you have?'"

I am happy to say that that question has been asked quite frequently upon this visit to Missouri.

I do appreciate your fine hospitality, the hospitality of your Governor, and in view of the fact that the next four years are likely to be lean years for Republicans, when it comes to Presidential appointments, I am going to take the liberty of making a very atrocious pun, and say I hope the President finds a place to park the Governor of Missouri in a nice berth on the Federal Bench.

I know that all of my fellow Governors have appreciated the warmth of your greeting here in Missouri. I don't know how they all find it in their own States. I know some of them will agree with me when I say the old adage, "A prophet is not without honor save in his own country" applies to Governors. Some of us have to go beyond the border line of our State to find a real warmth of welcome and friendly greeting. During the first year of my administration, everywhere I went the band played "Hail to the Chief." This last year they have been playing "I will be glad when you are dead, you rascal you." Not long ago I went to a certain convention held in Cleveland. I don't know why I went. William Randolph Hearst had performed the job before I got there, but anyway I met a number of very interesting people. One, a dear old soul from the State of Ohio, came up and said to me, "Governor Hoffman, I have heard a lot about you," and I said, "Yes, you can forget it," and she said, "I don't mean that. I was in your State during the summer of 1934. I spent the summer at Asbury Park," and she said, "I knew you were going to be elected Governor, because you had more billboards than any other candidate." She said, "I can even remember the slogan on the billboards, 'Young, vicious and progressive.'"

I tried to assure her the slogan was "Young, vigorous and progressive." I said, "You must have been reading some of the New Jersey newspapers." She expressed some surprise. She said I must be wrong in thinking the newspapers did not approve of the administration of their Governor. I said my attitude may have been like that of Max Baer in his fight with Joe Louis. You will recall that Max, in the parlance of the ring, for the first three rounds took a terrific shellacking. At the end of the second round, when he went back to his corner, his manager tried to give him some encouragement, and he said, "You are doing fine, he never touched you."

"Never touched me!" Max said, as he wiped the blood out of his eye with one glove, and then he said, "Well, keep your eye on the referee, then, because somebody is knocking hell out of me."

Possibly one thing that makes us feel at home in Kansas City—you know, in some cities they have a tendency to go high hat on occasions like these, but we come to Kansas City and we find here a very aggressive welcome, and we find also that your Mayor has the very plain name of Smith.

Arthur Guiterman, the poet, paid a great tribute to the family of Smiths. He said,

"Let Fame erect a monolith  
To those who boast the name of Smith,  
Including, too, if space permits,  
The brotherhood of Smyths and Schmidts.  
How often Tyranny has trembled  
When as our free-born Smiths assembled  
Their vast, indomitable clan  
That in all progress leads the van!  
Like demigods of ancient myths  
Those dauntless regiments of Smiths  
Go sweeping on and on,  
And half of them are christened John.  
In countless tasks they've proved their pith,  
The tribe denominated Smith;  
They've stood their ground and have not quailed  
Though White and Robinson have failed.  
I would not dim the fair renown  
Of Messrs. Johnson, Jones and Brown;  
But when I count the kin and kith  
Who bear the honored name of Smith  
I think, with Lincoln, God must love them,  
Because he made so many of them."

It is a fine thing for one to become Mayor of this great City of yours. Of course, we heard him do a little fancy bragging, but that is permitted in this Conference, a little fancy bragging about Kansas City, and we have heard all of the Governors doing the same thing. Governor Peery told us about the great dominion State last night, and we heard upon the first night, at the banquet in St. Louis, Governor White of Mississippi tell about the glories of his State, and tonight our fine and genial colleague, Dave Sholtz, told us about the glories of Florida, so I may be permitted to tell you something about that little State of mine, New Jersey.



Of course, someone said the other night Vermont and Maine had seceded from the Union, but New Jersey is still there. Of course, there is nothing we can do, as far as the last election is concerned.

Anyway, about two years ago a friend of mine from Pittsburgh, some of you possibly know him, Albert Kennedy Rosewell, paid a visit to my office, and among other things he said, "Harold, I have just completed a lecture tour through this great State. While you have a wonderful State, it is ninth in population, and sixth in value of manufactured products, you have mountains, lakes, the finest highway system in the world, you have thriving cities and towns, you have a proud history, and your shores are washed for over a hundred miles by the great Atlantic ocean, but," he said, "there is one thing that is wrong with you people in New Jersey. You do not do enough fancy bragging about your State. If you want to find a real, A-1, dyed in the wool, thirty-second degree all around booster, you have to go to the State of California.

I listened for so many years to those native sons boasting about California, with its wonderful soil, wonderful products, and so forth, that I finally succumbed to this sort of advertising, pulled up sticks from Pittsburgh, and leased a little ranch out in California. Here is what I found. The very roof on the house was made of asbestos in Manville, New Jersey. I would be awakened in the morning to the music of a Connecticut-made alarm clock, jump out of bed, wash my face on a cake of Colgate's soap, made in Jersey City; dry my face on a Turkish towel made in Paterson; then I would put on a pair of Boston socks, held up by Paris garters, a pair of Detroit-made overalls, held up by Baltimore suspenders, over a pair of Brockton, Massachusetts, shoes. I would then go down for breakfast and seat myself at a table made in Grand Rapids, Michigan; eat some Hawaiian pineapple, Scotch oatmeal, a piece of Virginia ham, fried in Chicago lard on a Kalamazoo range burning Pennsylvania coal. I would top it off with a cup of coffee that came from Brazil; then go out in the yard, throw a set of Concord, New Hampshire, harness over a Missouri mule, hitch it up to a Rock Island, Illinois, plow, and tear up a couple acres of California soil covered by an Ohio mortgage. At noon, I would eat some Mexican chili con carne, a Spanish omelet, some frozen peas from Bridgeton, New Jersey, French fried potatoes and a cup of English tea. In the afternoon, I would plant some Indiana corn, some Hungarian barley, and some Bavarian malt. After I figured out some cheap concoction I could make out of the malt and barley, I would go in the house, put on a suit of Boston-made clothes, get out the Detroit-made

flivver, fill it up with Texas gasoline, drive downtown to a Greek restaurant and watch a New York girl doing the Memphis shimmy to the strains of music provided by a Harlem Jazz orchestra. I would then go home, put a Yale key in a Yale lock, go upstairs, read a couple of verses out of a Bible printed in England, say a prayer written in Jerusalem, climb in a pair of Chinese silk pajamas made in Paterson, reach up and turn out an electric light invented and made in New Jersey, jump in on a Simmons mattress made at Linden, pull a pair of Lynn, Massachusetts, sheets up over me, and then spend the rest of the night killing the fleas and the mosquitoes—the only darned native products of the whole State of California—but it was darned good boosting.

He said, "Anyway, it is darn good boosting." And I suppose it is, and it is especially permissible for all of the Governors who are here today, to do a little boosting for their own States, for you know, as one of the poets said,

"The codfish lays a million eggs,  
The helpful hen lays one,  
But the codfish doesn't cackle  
To tell us what she's done.

"And so we scorn the codfish coy,  
But the helpful hen we prize,  
Which goes to prove to you and me,  
That it pays to advertise."

One fine thing about this affair today, we were called up here to join in the tribute paid to the Chief of Staff, to that very distinguished officer, that distinguished soldier, General Craig. I don't know how he felt, as that medal was being pinned upon his breast today. I wondered if he felt as the soldier did over in France a short time after the Armistice was signed—it seemed one of the American Divisions was to be inspected by the great French strategist, Marshall Petain, and General Pershing, and they were also to confer decorations upon some of the American soldiers who had been cited for bravery. They went down the line, the boys were standing at attention, and finally the division adjutant called the name of the soldier and he stepped smartly two paces in front. Petain pinned the Croix De Guerre on his breast, and then in the approved French manner kissed him upon one cheek and then upon the other, and attempted in his broken way to make a speech. He said, "Ah, my brave American soldier, if I had my way, I would make you field marshal." It happened this soldier was raised in Chicago, and he said, "Field marshal—couldn't you make it Marshall Field?"

This military question—we have been able to get away from the question of who won the election, but a question that is more popular perhaps in certain circles in the United States, and Douglas Malloch, in a bit of verse that is a favorite of mine, pictures a boy—and I think by his introduction you will understand he was from the State of New Jersey, Private Hill, and he was telling his story of the war in this way:

I jumped right in and I crossed the sea  
And I done my bit in the infantry  
For Freedom's flag and Freedom's shore,  
The rights of little nations, or  
Whatever it was we were fightin' for.

I wasn't none of your second loots—  
I was just the guy that the gunner shoots.  
For you got to have in a war like that  
Some privates, too, when the guns rat-tat  
For the folks to do their shootin' at.

The general he got bigger pay  
But I guess I was needed, in a way;  
For at half-past four or half-past three  
In the cold gray dawn when a shell went whee-e  
The guy it was lookin' for was me.

I was Private Hill when I went in,  
And a private I come out ag'in.  
I didn't get no croy de gore,  
But I ain't mad and I ain't sore—  
It's enough for me that I won the war.

General Craig recognizes that his friends in Kansas City feel that he truly was the man who won the war. We had just a short time ago an election in this country. I do not need to tell you people that I was on the losing side of that particular argument, but here is the wonderful thing about that election. I was permitted to voice my opinion. I was permitted to go to the polling place and cast a vote for the person of my choice to become President of the United States, and for all of the lesser officers all along the line. I was permitted to do that. There was no threat of arms that presaged that election, no threat of arms can follow that election, and I was permitted to do that, as you were permitted to do it, underneath the wall of security built up in one hundred and sixty years of fighting and of preparation for fighting, by the fighting men of America, and I liked the things that General Craig said tonight. When he asked for support of those branches of our National service, and particularly the Army, it seems to me that we should recognize those things. I know that just as General

Craig feels that some criticism of the Army has been unwarranted, that many Governors, perhaps some of those here today, feel that some of the criticism directed at them at this particular time is unfair and is unwarranted. We must realize, I think, that today Government is very complex. Government is coming closer than ever before to the bread and butter existence of our people. Many of these men govern regardless of their political parties, that is, men who are serving in both the National Congress and in the Legislatures of these States; many of these men are trying their best to solve the very difficult and complex problems that are before them today, and I think many of them need praise more than criticism—that is, criticism of the type that is mentioned by Governor Sholtz, offered by people who offer at the same time no constructive suggestions—perhaps more than criticism they need the prayers, and they need the help of the people of these States. Of course, the gentlemen who are doing this helping of the people like to think of themselves, I am sure, as statesmen rather than as politicians. Someone has said a politician is a man who gets money from the rich and votes from the poor, by promising to protect one from the other. The politician does have a difficult time in the present day. I think it was Berton Braley who said:

I envy not the politician,  
However honest his ambition;

For if his work is patterned after  
The boss' orders, he's a Grafter;

If boss rule makes his temper warmer  
He's an Impractical Reformer;

If with the Poor he likes to jog,  
He's Nothing But a Demagogue;

If to the Rich he gives an edge,  
He is the Tool of Privilege;

If Wet, he is a Brewery Spigot,  
If Dry, a Narrow-Minded Bigot;

He's either Flattering the Masses  
Or Fawning on the Upper Classes;

If moved by other men's opinion,  
He's just a Spineless Party Minion;

If on his own views he insists,  
He's one of those Proud Egotists;

If friendly, he's a Smirking Slob;  
Reserved, a Highbrow and a Snob;

Winning, he is Investigated,  
Losing, he is Repudiated;

However honest his ambition,  
I envy not the politician.

During one of those periods when it seemed, in the State of New Jersey it seemed as if I was being picked on from everywhere, a friend of mine, and incidentally from the State of Missouri, sent me a letter and sent me a little article, I think it was clipped from one of the St. Louis papers, that he thought might bring to me some encouragement; he said, "Harold, don't bother about the things they say about you." He said, "Did you ever stop to think, if George Washington were alive today, he could not hope to be elected President of the United States." And then he went on to prove it. He said he would be opposed by the American Legion, the Daughters of the American Revolution, and the Liberty League, because he was a known Radical of revolutionary tendencies;

—by William Randolph Hearst, for the above reasons, and also because he was born an Englishman;

—by President Roosevelt and the New Dealers, because he believed in the Constitution and rugged individualism;

—by Bishop Cannon and the Methodist Board of Prohibition, Temperance and Public Morals, because he was beloved in life, liberty and the pursuit of happiness, and kept the best cellars in Virginia;

—by the Roman Catholics and Missouri Synod Lutherans, because he was a Mason;

—by the Atheist Society, because he was a churchman;

—by the Negroes and Civil Liberties Union, because he kept slaves;

—by the Communists and other radicals, because he was an aristocrat and a capitalist;

—by the aristocrats and capitalists, because he believed in the rights of the common man;

—by the League of Nations association and the internationalists, because he warned of entangling foreign alliances;

—by the isolationists and hundred-per-centers, because he entered into a treaty of alliance with France, and welcomed Lafayette, Von Steuben and Kosciusko as his allies;

—by the conservationists and the Amalgamated Fruit Growers of America, because he cut down the cherry tree.

So, this is an age where, if conditions go against a man, he can take some consolation out of the fact if George Washington were alive today he would not even suit all of the people, and perhaps could not even be elected President of these United States.

Of course, we Republicans have been in for a difficult time. One of my friends in South Amboy, an old Democratic leader, Paddy Bolin, met Jim Hackett, and Jim Hackett had in his hand a newspaper in which there was a headline which may sound funny at the present time. The headline said, "Democratic Party not dead." Jim said, "Paddy, I don't like this headline. This is a great two-party Government. This Nation has grown to be great, because we have the Democratic Party and the Republican Party, each one watching the other and not letting either one get away with anything."

He said, "I think now Paddy, for the sake of the good times you have had, and for the sake of the Party traditions, you Democrats should stick together, but you should stay well out of politics."

Perhaps Governor McNutt and Governor Park and some of these other Democratic Governors can feel the same way about the Republicans, at the present time. But we are not discouraged. Go back to the Book of Ages. You will recall the Lord said to Gideon he had too many in his band at Mount Gilead, and he reduced the number from thirty-two thousand to twenty thousand. Then he took them down to the water and gave them another test, and had them set aside all of those who got down and cupped up the water with their hands, and when finally they were reduced to a mere handful, the Lord said to Gideon, "By these three hundred shall I save thee, and deliver the Midianites into thy hands."

So Governor Nice and I can take a little consolation out of that. It is possibly an unusual thing to figure out—I don't know—but right here in Kansas City you have over twenty-five per cent of the Republican Governors of the United States, and as I told Governor McNutt, if you want to qualify that by waiting a short while, you will have over fifty per cent; and I want to say this, if I may, to you: At the present time we have been going through a very difficult period in this Nation of ours, a period we call depression. Some people do not like to use that word. One of the young men in my office—we call him first vice-president in charge—a big word—does not use

the word "depression." He says it is an occupational dislocation due to the volume of technological surpluses. In the past we had these deeps in the economic cycle. We were able to come out of them more rapidly perhaps, because those sturdy sires of ours were willing to take whatever instrument happened to lay before them, pick-axe or shovel. They were willing to do their job, even if it was one of helping put the rails in, and it was because of their efforts, their sacrifices, because of the sufferings of American womanhood of the past, that America grew to be great—from just a handful of struggling colonies along the Atlantic seaboard, to become today the proudest among the Nations of the world.

I know the hour is getting late, but I want, if I may, in conclusion, to just pass on to you one or two things that in the recent years have brought to me a great degree of inspiration. The man whose name I mentioned a short time ago, Albert Kennedy Rosewell, was in my office when he said, "Harold, I have been going through a very difficult period." He is a professional lecturer, and as you may imagine, his profession has been hit rather disastrously. He said he had lost a business in which he had a substantial investment; that his brother had died two months before; he said, "Harold, I went to my office in the Besmer Building, day after day, asking myself the question, "Is it worthwhile?" Then he said, "In the course of a single day I came across three people who were struggling under handicaps that were greater than the burden that has been laid upon me."

He said, "I made up my mind if they could still be struggling through, if they could still see a silver lining in the dark clouds that encompassed them with their handicaps, I too could do my part." And "Rosey," as we call him, left this upon my desk:

"Three Soldiers

"By Albert Kennedy Rosewell

"The next time your clouds seem grey, or the burdens rest heavily upon your shoulders, all I ask you to do is to use that God-given gift, the power of observance, and let your eyes rest upon a few of those less fortunate than you, and you'll have no trouble in finding them.

"Three soldiers I have seen today—

Three soldiers who must face the battle line alone—

No martial notes to cheer them on,

No port of rest when strength is gone,

No promise with the coming dawn,

They face the foe while courage rests upon the throne,

These soldiers I have seen today:

"One was a little crippled lad:

"An aching heart the only recompense  
For little withered limbs and shattered dreams,  
There must be something more for him it seems  
Than just a wheel chair by the window there.  
Those neighbor boys at play upon the street  
Hurl a thoughtless challenge for sturdy feet,  
And, Oh, how his heart must yearn for just one  
turn  
This soldier. . . . .that I saw today.

"And one was a newly-made widow:

"They told her time would ease the lonesomeness—  
This mother with her little brood of three  
Must trend alone the wine press constantly,  
No outward signs must trouble little minds,  
And so, she hides her sorrow in her heart  
That those she loves must never feel the dart,  
This soldier. . . . .that I saw today.

"And one was a blind woman:

"God's glories hidden from her sightless eyes,  
And yet a tenderness in her I find  
That makes me wish at times I, too, were blind  
To all save the light that leads toward the right;  
Rebellion nor envy she never knows,  
For sight does not bring the scent of the rose,  
And ever she sings of the unseen things—  
This soldier. . . . .that I saw today.

"Three soldiers I have seen today—  
Three soldiers who will never know the world's  
applause—

"Courage came from the crippled lad,  
Hope from the store the widow had,  
Faith I found through eyes made sad,  
"And, now, the battle line, I, too, can face,  
Because—

Three soldiers I have seen today."

GOVERNOR GREEN: Mr. Toastmaster, I see by this program that we are about at the end of the last delightful event of three days and evenings of delightful events that formed the program of our Twenty-eighth Annual Governors' Conference, and before we adjourn, it is my privilege on behalf of the Committee on Resolutions to offer two resolutions for action by the Governors' Conference.



I might say to those who are not members of the Governors' Conference, that it is unnecessary for them to withdraw; in fact, I hope they will stay; in the face of the remote possibility that anyone would be inclined to vote against this resolution that is presented now, your presence here might alter their determination in that respect. The first of these resolutions is this:

"WHEREAS this 28th Annual Governors' Conference has met in the State of Missouri at the invitation of His Excellency Guy B. Park, Governor of the State of Missouri, acting on behalf of the Government and people of that State, and the spirit of hospitality characteristic of the people of Missouri has been most generously shown in the entertainment of the visiting Governors, their staffs and their families, not only by the State, but also by the three cities of St. Louis, the State Capital, Jefferson City, and Kansas City, and

"WHEREAS, the visiting Governors have profited by the facilities offered them for their Conference, and enjoyed exceedingly the manifold entertainment provided for them, especially the opportunity of visiting the State from its eastern boundary to its western boundary, and will carry back with them lasting and pleasant memories,

"NOW, THEREFORE, Be it Resolved that the Governors in attendance at this, their 28th Annual Conference, do hereby tender their deep appreciation of and heartfelt thanks for the many courtesies shown them, and for the boundless entertainment and generous hospitality they have enjoyed at the hands both of His Excellency the Governor of Missouri, and Mrs. Park, and of the officials of the three principal cities of Missouri, and their respective civic organizations, and of the people generally of the State of Missouri."

Mr. Chairman, I move the adoption of the resolution.

GOVERNOR HOFFMAN: I second the motion.

CHAIRMAN GOVERNOR McNUTT: You have heard the motion. All those in favor will signify it by saying "Aye."

(Members vote affirmatively)

Contrary, "No."

(None voting)

I declare the motion unanimously carried and the resolution adopted.

GOVERNOR GREEN: This is the second resolution:

"WHEREAS, the publicity of the meeting and work of this Twenty-eighth Annual Convention of the Governors' Conference has been most adequately handled by the press of Missouri and the National Press Associations, and they have been generous in their references to the Conference and its individual members, and we wish to take this occasion to acknowledge with appreciation the work they have done, and the publicity which has incidentally resulted therefrom, and

"WHEREAS, we are indebted to the Missouri-Pacific Railroad for the prompt, efficient and very courteous service rendered to our body, and we are likewise indebted to the hotels in each of the three cities where our sessions have been held for uniform courtesy and kindness to us,

"NOW, THEREFORE, BE IT RESOLVED THAT we, the members of the Governors' Conference in convention at Kansas City, do hereby extend our thanks to all of the agencies above mentioned."

GOVERNOR GREEN: I move the adoption of the above resolution.

GOVERNOR PETERSEN: I second the motion.

CHAIRMAN GOVERNOR McNUTT: You have heard the motion. All those in favor will signify it by saying "Aye."

(Members vote affirmatively)

Contrary, "No."

(None voting)

I declare the motion unanimously carried and the resolution adopted.

GOVERNOR PARK: In concluding this delightful Conference, may I express to the fine people of Kansas City, and to the members of the Chamber of Commerce, our appreciation of the fine entertainment afforded us, and the genuine spirit of hospitality you have exhibited, and may I also say to the members of my Staff, that you have been fine soldiers, and Mrs. Park and I appreciate your loyalty and your good looks; and to the Governors from the several States, in saying good bye, I want you to know how much we have enjoyed having you in Missouri, and we want you to come back again, and in the meantime, God bless you and the States you represent.

A D J O U R N M E N T

## MEETING OF EXECUTIVE COMMITTEE

Immediately following the adjournment of the session held at Jefferson City, there was a meeting of the members of the Executive Committee.

Present, Governor George C. Peery

Governor R. L. Cochran

Governor Harry W. Nice

Governor George C. Peery was elected Chairman of the Executive Committee.

Former Governor Stanley C. Wilson, of Vermont, present Treasurer, was re-elected.

Former Governor Cary A. Hardee was re-elected Secretary.

On motion the sum of \$100.00 was fixed as the yearly dues for each State in the Union.

The question of selecting a meeting place for next year for the Convention of the Governors' Conference was deferred for consideration at a subsequent meeting of the Executive Committee. Time and place of such meeting to be selected by the Executive Committee at some future date.























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